DOCTORAL THESIS

Corporate Social Responsibility: A Study of Strategic Management and Performance in Swedish Firms

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“Corporate Social Responsibility: A Study of Strategic Management and Performance in Swedish Firms”.

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"Corporate Social Responsibility: A Study of Strategic Management and Performance in Swedish Firms".

A Dissertation submitted to the graduate faculty in partial fulfilment of the requirements for the degree of Doctor of Philosophy

By
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Certification of sources

It is hereby certified that all material is the original work of the author. It is further recognized that all sources used in this dissertation have been properly referenced.

Yours Truly,

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PhD Management – Global Business Strategy
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“Corporate Social Responsibility: A Study of Strategic Management and Performance in Swedish Firms”.

A Dissertation approved for the Bond University School of Business

By

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Dedication & Forewords

I would first and foremost like to thank my wonderful wife Eva, my son Carl and my fantastic parents and friends whose love and support on a personal level was essential to complete this dissertation.

From a professional level I would like to thank Bond University as an institution -and my supervisor Dr. Tim Kiessling- who helped me shape who I am professionally and academically. I further send my best regards to all those managers that whole heartedly supplied me with research data and NASDAQ-OMX who contributed with vital information. A special thanks to Melissa Bond and Charlotta Sire'n who's support is greatly appreciated.

Corporate Social Responsibility (CSR) is more to me than just another management discipline. It can be a behavioural tool that eliminates short-sightedness and immoral management to cater for the shareholders best interest. Warren Buffet said "When I invest in businesses I invest in people. I look for three qualities: integrity, intelligence, and energy. And if they don't have the first, the other two will kill you." In my opinion, this goes for businesses as well: market knowledge (intelligence) and strategic direction (energy) can only provide short-term shelter in a hypercompetitive globalized world. To survive and prosper companies must manifest their integrity – their behaviour - and make it part of their corporate DNA. It's time for a change.

Best Regards to All,

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ABSTRACT

Firms today engage in CSR with a strategic intent as it is considered to be a long-term investment that leads to improved competitive advantages, reputation and customer relations. It is further considered to lead to improved financial and non-financial performance. Hence, CSR is considered to be a part of the strategic management field**.** This research investigated publicly traded multi-national enterprises (MNE's) on the Stockholm Stock Exchange. This since Sweden is among the CSR world leading nations and has top rankings in e.g. innovation, globalization and responsible competitiveness. The focus of this research was on the operationalization of firm specific external and internal strategic orientation. We investigated these orientations via the lens of the Market Orientation theory by using qualitative and quantitative research. We found that External Orientation (the level of customer- and market orientation), Internal Orientation (the degree of strategic orientation, strategic CSR Intentions, presence of industrial standards, operative CSR management and the timing and design of CSR communication), and Firm Performance displayed significant positive relationships with our CSR measure (comparative Index). We triangulated firm performance (primary and secondary data) and found it to be significant. We further found predictive support that enables practitioners and academics to assess how their firm could structure (how to specifically 'set-up') their external- and internal orientation to increase their level of CSR. In turn it can improve firm level reputation, competitive advantage and become more appealing to investors interested in firms' with an above average CSR profile. In summary, this research aid practitioner operationalization of CSR in order to gain from it; investors and market analysts' ability to assess firm level CSR efforts; and academics understanding of how firm level characteristics can contribute to higher levels of CSR.

Keywords: CSR; External Orientation; Internal Orientation; Strategic Intent; Firm Performance; Market Orientation; Strategic CSR; Strategic Management.

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1.1 Introduction to CSR

This dissertation investigates Corporate Social Responsibility (CSR) and how it can be strategically managed. CSR is a corporate behaviour and management philosophy that an increasing number of firms worldwide choose to adopt (Carroll & Shabana, 2010; KPMG, 2011). While there are variations of the CSR definition, a commonly used definition is "firm actions designed to improve social or environmental conditions" (Mackey, Mackey, & Barney, 2007, p. 818; McWilliams & Siegel, 2000; Waddock & Graves, 1997). A frequently used variation of the definition is "a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources" (Du, Bhattacharya, & Sen, 2010, p. 8; Kotler & Lee, 2005). Since earlier CSR research focused on ethical perspectives and the society as a unit of analysis the first definition is less suitable for this research. The latter definition entail that the outcome of CSR is not targeting societal well-being alone but also imply that the organization has to design some business practices to achieve it. This means that the underlying perspective have shifted towards CRS as being strategic (instead of ethical) with the organization as unit of analysis (instead of the society). One definition reflecting that CSR has become strategic is "actions that enhance a firm's competitiveness and reputation" (Hill, Thomas, Todd, & Daryl, 2007, p. 6). We therefore view this definition as more suitable for this research.

CSR occurs by contributing some set of resources (such as people or money) for a social benefit (outside the normal scope of the firm), or to comply with legislation, for instance in environmental improvement (Moon & deLeon, 2007). Even though CSR is not a new concept it has recently increased in popularity among firms around the world (KPMG, 2011; Porter, 2008; Reid & Toffel, 2009). It is further considered to be in firms' best long-term interest to be socially responsible (KPMG, 2011). For example, by enhancing the societal environment in which firms exist, they contribute to the wealth development of that society. Long-term, this increases their market size in the form of new customers (Carroll & Shabana, 2010; Drucker, 1984). CSR has increased in popularity as firms, for example, in Europe, the United States and in the Asia-Pacific region perceive that CSR can improve their brand, their reputation and their financial performance (KPMG, 2011; Melo & Garrido-Morgado, 2012). One study reported that 70% of international CEO's believed CSR to be even vital to firm level profitability (Vogel, 2005). These claims are some of the reasons why we have chosen to address CSR in this dissertation.

The increased frequency in CSR is also displayed in the regulatory sector. For instance in Denmark, where the law requires publicly traded firms to report their CSR activities in their annual reports (Danish-Parliament, 2009). A variety of ranking lists also provide country level positioning in CSR behaviour (ITIF, 2009). Two examples of these are *'The Climate Change Performance Index'* (GermanWatch, 2009) and the *'CSR: The State of Responsible Competitiveness Index'* (Accountability, 2009). While European firms are said to lead the CSR efforts today on the regional level (Hill, et al., 2007; KPMG, 2011), examples of firms who engage in CSR activities can be found in any industry and region (KPMG,

2011). Firm specific examples are IKEA (retail), Toyota (automobile industry), Microsoft (computer software), Telenor (telecommunications), Carlsberg (beverages) and SONY (consumer electronics). All of these firms (and numerous others) have substantial CSR programs listed on their respective website.

CSR typically embodies some norms that stakeholders (defined as any group or individual who can affect or be affected by the achievement of a firm's purpose) (Freeman, 1984) regard as just and fair, and cover activities that promotes some aspect of human welfare (Carroll, 1991; KPMG, 2011). One example is the provision of onsite child-care for employees to increase workplace attractiveness (McWilliams & Siegel, 2001a). CSR can further be divided into purely philanthropic activities without the intention to gain (Maak, 2008), and activities with some strategic intent, such as improvement of firm reputation or to otherwise enhance firm performance (Bansal & Roth, 2000).

Today, it is reported that many firms that engage in CSR have a strategic intent, for example to reinforce their corporate strategy (McWilliams & Siegel, 2001a; Porter & Kramer, 2006). Thus, firms now engage in CSR to benefit as it is considered to be a long-term investment that can lead to competitive advantages (Carroll & Shabana, 2010; Kang, 2009; KPMG, 2011; Orlitzky, Schmidt, & Rynes, 2003). These claims are some of the specific reasons why we have chosen to address CSR from a strategic perspective. The support of the educational system (to increase the size and quality of a future recruitment pool) and environmental improvement programs to achieve cost savings and value chain efficiencies, are other examples of CSR with a fundamental strategic intent (Luo & Bhattacharya, 2009; McWilliams & Siegel, 2001a; Porter & Kramer, 2006). All these ultimately positively affect firm share price (Luo & Bhattacharya, 2009; McWilliams & Siegel, 2001a).

Overall, CSR is empirically supported to provide a direct- and indirect impact on firm performance. Direct impact can appear in the form of positive financial performance, while indirect impact can be enhanced brand image or market reputation (Drucker, 1984; Harrison, Bosse, & Phillips, 2010; Moon & deLeon, 2007; Waddock & Graves, 1997; Wood, 2010). Hence, CSR is considered to be a part of the strategic management field (Drucker, 1984; Mintzberg, 1983; Porter, 2008). Since the strategic management concept entail a systematic analysis of internal and external factors associated with customers and the organization itself, it supports the design of optimal management practises. In turn this supports the alignment of firm level policies and strategic priorities thus are interrelated to CSR.

CSR holds many opportunities for the betterment of firms and the society they operate in (KPMG, 2011). For instance, improved human resources (HR) performance for the firm (Wieseke, Ahearne, Lam, & Dick, 2009) and increased resource contributions (people, money or office space) to non-for-profit organizations (Eweje & Palakshappa, 2009). However, since firms struggle to comprehend and implement CSR (Hill, Griffith, & Lim, 2008), research that clarifies the CSR concept is a valuable contribution to academics,

practitioners (managers) and the strategic management field. Comprehension issues such as managers having difficulties in understanding how 'doing good' can be a part of strategic management (Lev, Petrovits, & Radhakrishnan, 2011; Luo & Bhattacharya, 2009; McWilliams & Siegel, 2011), or what CSR can be 'to our firm', are common (Maak, 2008). These problems arise because the majority of past research has targeted academics instead of practitioners (Maon, Lindgreen, & Swaen, 2010; Noland & Phillips, 2010).

A recent study claimed that the three core problems with CSR were that managers had 'too little knowledge about the overall concept' (38.6% of respondents), 'too little knowledge of the CSR implementation process' (43.2% of respondents) and that 56.8% of the responding managers lacked 'a clear action plan' (Moratis, 2011). Implementation issues typically arise for the same reasons. For example, as CSR need to be aligned with overall firm level objectives and strategies, CSR related organizational adjustments, changes, new responsibilities or report structures can be a challenge (Kang, 2009). Thus CSR need to be strategic in order to create and capture value (McWilliams & Siegel, 2011). To quote Michael Porter (2006, p. 88) in regards of strategic CSR:

> *"For any company, strategy must go beyond best practices. It is about choosing a unique position – doing things differently from competitors in a way that lowers cost or better serves a particular set of customer needs. These principles apply to a company's relationship to society as readily as to its relationship to its customers and rivals"*

Research addressing CSR can take several avenues, for instance by using a specific theory perspective, or to assess firm level outcomes (performance). CSR related research can also address strategic intent and firm level choices regarding the enablement or operationalization of CSR. Our research addresses all four of these avenues and intends to enhance the understanding of CSR for practitioners by investigating the topic from a strategic management perspective. We also respond to researchers call and focus on a selected stakeholder (the customer). The Market Orientation theory (MO) perspective is utilized to probe into potential strategic reasons behind engaging in CSR, and how certain strategic management components (managerial choices) relates to CSR. This is supported repeatedly in the MO literature where it is suggested to explore managerial intentions (Ruekert, 1992).

Our research will also address a number of raised questions by using qualitative and quantitative research. We will first interview a selection of executives to investigate for example how CSR is aligned with firm level objectives and how CSR is communicated. We will also investigate earlier claims regarding how stakeholder interaction, firm characteristics and market communication affects CSR and firm performance. Thus, we will investigate external and internal aspects (orientation) of firms' engaging in CSR. The regional context

for the research is Europe where we have chosen to address publicly traded multi-national enterprises (MNE's) on the Stockholm Stock Exchange since Sweden is a recognized world leading country in regards to CSR (ITIF, 2009, 2011; KPMG, 2011; Swedish-Institute, 2009, 2011). Sweden is also a top ranking nation on various performance indexes, for example in intellectual property generation (ITIF, 2009; Swedish-Institute, 2009), global reputation and global competitiveness (Swedish-Institute, 2011). Thus, the chosen unit of analysis for this research is the organization.

1.2 Rationale and Importance of Research

Research in the CSR field is important for two main reasons. CSR has strategic management implications and can influence how society, stakeholders and firms interact (Porter & Kramer, 2006). It also has the potential to improve overall firm performance based on a number of direct and indirect benefits (KPMG, 2011; Orlitzky, et al., 2003). For these reasons, this section is divided into two sub-sections: CSR in relation to strategic management and CSR derived benefits.

1.2.1 CSR in relation to Strategic Management

CSR research is important because it has an impact on the strategic management field (Drucker, 1984; Mintzberg, 1983; Porter, 2008; Porter & Kramer, 2006) and is considered to be a core business function central to a firm's strategy (Carroll & Shabana, 2010). It is further an increasingly applied practice for firms worldwide today (Carroll & Shabana, 2010; Kang, 2009; Moon & deLeon, 2007; Porter, 2008; Reid & Toffel, 2009), and considered to be a long-term investment that can lead to competitive advantages (Carroll & Shabana, 2010; Kang, 2009; KPMG, 2011; McWilliams & Siegel, 2000; Orlitzky, et al., 2003; Porter & Kramer, 2006). One example is increased credibility which can act as a form of insurance (Luo & Bhattacharya, 2009) in case of sub optimal ethical behaviour.

For example the Norwegian MNE Telenor, the 6th largest telecommunications company in the world, experienced this first hand in April 2008. One of their sub-contractors in Bangladesh, who galvanizes telecommunication masts, severely disregarded contractual regulations regarding workers safety and child labour around acidic galvanization pools. The negligence regarding safety equipment resulted in several workers deaths which Telenor was blamed for by European media due to their part in the operations (Telenor being the contractor and customer). The immediate result was approximately a 5% decrease in their market capitalization value as the share price plunged (Isaksson, 2008). As Telenor had an extensive CSR reputation (SVD, 2008) they were able to maintain their corporate innocence. They immediately sent an auditing team to the galvanization facility rectifying the situation within weeks which restored the share price.

In addition, when CSR activities are aligned with societal needs and wants, it can create mutual value for firms and society. In the above case, the international media attention to workers safety in Bangladesh, have led to a general improvement of working conditions in Bangladesh (SVD, 2008). Hence, it has the potential to positively change the way society and firms view each other (Porter & Kramer, 2006).

Another important notion is that since CSR, at its core, focuses on relationships with, and reputation amongst, stakeholders and society (Orlitzky, et al., 2003), it builds social complexity, which are intangible assets of a firm (Barney, 1991). Hence, CSR can be a valuable source of competitive advantage (Barney, 1991; Carroll & Shabana, 2010; Kang, 2009; McWilliams & Siegel, 2000; McWilliams & Siegel, 2011). For example, the Swiss firm Nestle' provides agricultural education and hands on training to farmers in developing countries (targeting a more reliable supply of improved quality produce). This sets them apart from their competitors in three ways: they improve their own value chain (increased supplier output), it creates operative knowledge (regarding local cultivation conditions) and contributes to increased entrepreneurial rent and bottom line performance from improved supplier output volumes and quality of produce (Nestle, 2010; Porter & Kramer, 2006).

There are, however, several challenges and concerns regarding how to apply CSR in a strategic fashion and how to extract the potential benefits. First, CSR remains a vague term that covers many different activities, and as such, needs to be developed (Dahlsrud, 2007; KPMG, 2011; Maak, 2008). This problem is manifested by the definitions "a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources" (Du, et al., 2010, p. 8; Kotler & Lee, 2005), and "actions that enhance a firm's competitiveness and reputation" (Hill, et al., 2007). Studies on management and CSR have further looked at CEO duality, CEO compensation and managerial control and less on how CSR is managed operatively (Walls, Berrone, & Phan, 2012).

Second, it is less researched how CSR should be properly communicated by firms, both large and small and medium sized firms (SME's), as communication of CSR in itself is becoming an important part of strategic CSR (Ziek, 2009). There are several reasons for this. CSR needs to be communicated both internally and externally with clear communication goals (objectives). Further, the timing of CSR communication can have a profound impact on results, that is, if a firm is rewarded or punished by the market for its behaviour (Ramchander, Schwebach, & Staking, 2012). It also need to be communicated with consideration to new internet based communication tools in form of social networks such as Twitter or FaceBook (KPMG, 2011).

Third, many sources of today's pressure on managers in strategic decision making are directly associated with social issues rather than traditional strategic management (Hill, et al., 2008; Kang, 2009; Lopez, Garcia, & Rodriguez, 2007; Waddock & Graves, 1997). One such example is when the oil company 'Royal Dutch Shell' in 1995, decided to sink the obsolete oil platform 'Brent Spar' in the North Sea. The massive protests against this action from

many European civilians, NGO's, other MNE's and governments, was overwhelming and forced Shell to cancel what they believed to be a cost effective business decision regarding the disposal of an obsolete asset. The society at large, however, saw Shell's decision as an ethical-environmental misconduct and detrimental to Shell's reputation. This was confirmed by the managing director of Shell Expo, Mr Heinz Rothermund, when he at the 1997 Society of Petroleum Engineers Conference, declared that "Brent Spar will enter history as the symbol of our failure to establish our position and connect in a meaningful way with a wider audience" (Meena, 2006, p. 5; Zyglidopoulos, 2002). The increased risk of social pressure has contributed to the evolution of CSR from being a 'good-will' concept into becoming a strategic management component, which in turn could be a new challenge to managers and firms (Carroll & Shabana, 2010; Luo & Bhattacharya, 2009). A more recent example is the protests on Wall Street, New York, regarding excessive corporate greed and unethical corporate behaviour targeting investment banks (CNN, 2011).

Fourth, another concern is that few studies explore the driving forces behind CSR among customers (Lee, 2008) or inter-organizational dynamics, for example interaction processes and procedures (Simpson, Power, & Samson, 2007). Instead, most CSR studies have been more interested in corporate financial performance (CFP). Although all types of CSR are almost exclusively related to some specific category of stakeholders, the outcomes, issues and inter-relationships with them have largely been ignored in CSR research (Gadenne, Kennedy, & McKeiver, 2009; Lee, 2008; Maak, 2008; Simpson, et al., 2007). Finally, firms find it challenging and difficult to implement strategic CSR and successfully link it to their future performance (McWilliams & Siegel, 2011). For example, how to achieve CSR based differentiation, how 'green' activities can enhance brand perception or affect firm level reputation or how to otherwise differentiate a firm from its competitors (Carroll & Shabana, 2010). The questions of how to operationalize and structure firm level activities to align CSR with strategic objectives have also been highlighted as difficult (KPMG, 2011; Maignan & Ralson, 2002).

Research further suggests that CSR cannot create benefits without strategic alignment (Porter & Kramer, 2006). Thus, firms are recommended to plan, organize, manage and implement and apply CSR in the same fashion as they would apply any other strategic tool (or managerial discipline) targeting firm objectives, for example marketing (Luo & Bhattacharya, 2009; Lusch, 2007; Orlitzky, et al., 2003; Wagner, Lutz, & Weitz, 2009b). A commonly repeated suggestion is thus that firms should learn how to synchronize and align CSR with the overall firm level objectives (Porter & Kramer, 2006). This is especially important since ill-planned, insincere or regulated CSR (that is, ignoring its potential capabilities) risks being counterproductive and yield negative results (Ramchander, et al., 2012; Russo & Fouts, 1997; Wagner, et al., 2009b). In the worst case scenario, managers without strategic understanding of CSR might postpone valuable CSR activities, savings and investments, which can lead to extensive future costs if the firm is later condemned by stakeholders for violating some socially perceived obligation (Porter & Kramer, 2006).

One example is found in the problematic case of asbestos. The Australian firm 'James Hardy' systematically ignored early warnings of severe health effects for decades. This resulted in substantial settlement costs and a negative firm reputation when the liability claims were later established by courtrooms. James Hardy allocated a settlement fund of $3.17 billion USD to cover the settlement (James-Hardy, 2008). A more recent example is the Gulf of Mexico oil spill. In European off shore drilling it is mandatory to install mechanical locks (at $500.000 USD each) which prevent blow outs should the drill pipe malfunction at the sea floor. The British oil giant BP successfully lobbied the U.S congress to exclude such precautions in the Gulf of Mexico. The initial cost savings instead lead to that BP now have voluntarily allocated more than $20 billion USD to mitigate a preventable damage (Bloomberg, 2010). In other words, managers and firms that pay attention to their social responsibilities, real or perceived, are more likely to gain than lose from doing so. Hence, CSR continues to be a topic of strategic interest and a new managerial dimension of value to both academics and practitioners (Hill, et al., 2007; Hull & Rothenberg, 2008; Kang, 2009; Lopez, et al., 2007; Wood, 2010). For these reasons, we agree with previous researcher's conclusion that research in the CSR field is valuable and contributes to the strategic management field.

1.2.2 CSR derived benefits

A multitude of benefits are highlighted in CSR research. These are commonly divided into benefits for the firm, the stakeholders or the society. This research will focus on customers and firm level outcomes among publicly traded MNE's organizations in Sweden as the unit of analysis. When assessing the firm level, CSR is proven to have a positive impact on different performance factors. Several studies have found positive support between financial performance and CSR (Hill, et al., 2007; Hull & Rothenberg, 2008; KPMG, 2011; McWilliams & Siegel, 2000; Orlitzky, et al., 2003; Wood, 2010). One example is found in retail where CSR is reported to be significantly associated with future revenue and customer loyalty (Lev, et al., 2011).

Other performance effects are found in cost savings from environmental programs (Gadenne, et al., 2009), differentiation effects where firms gain competitive advantages from some CSR practices that sets them apart from their competitors (Carroll & Shabana, 2010) and improvement in human resources (HR) performance. Examples of improved HR performance are increased employee commitment to work tasks and improved sales performance (Kang, 2009; Porter, 2008; Wieseke, et al., 2009). Other HR related benefits range from decreased levels of employee turnover to increased firm attractiveness for future recruitment (Carroll & Shabana, 2010; DeTienne, Agle, Phillips, & Ingerson, 2012).

CSR has also been credited with the ability to increase both the level of future cash-flows and the possibility for the expected cash-flows to emerge, and in that sense, aid long-

term stock performance which are in the interest of shareholders (Luo & Bhattacharya, 2009; Ramchander, et al., 2012). It is however important to note that the link between financial performance and CSR is not always possible to extract, can be neutral (McWilliams & Siegel, 2001a; Ramchander, et al., 2012) or unclear in some research contexts (Orlitzky, et al., 2003).

Other researchers claim that CSR does not, and should not, always target the enhancement of financial performance (Lindgreen & Swaen, 2010). Lopez (2007) concludes that social activities can yield negative financial performance during the first years of implementation thus recommend viewing and researching such activities in a long-term perspective. Lopez (2007) also states that research would benefit from focusing on firms that have a track record in practicing social activities. It is for these reasons suggested that immediate financial impact should not be sought in CSR research (Carroll & Shabana, 2010) and that it is time to leave the financial performance domain and instead focus on CSR components and its relationship with other operative and managerial aspects of the firm (Carroll & Shabana, 2010; Surroca, Tribó, & Waddock, 2010; Wood, 2010).

Other examples of favourable effects from CSR are more intangible in nature and include improved brand image, customer loyalty and stronger stakeholder relationships (Du, et al., 2010). Positive firm level improvements can also arise from favourable external stakeholder attitudes and improved support behaviours due to a firm's CSR activities. For example in form of more favourable procurement conditions (discounts from suppliers) or increased attractiveness to investors which can lower the cost of capital from the market (Deegan, 2007).

Yet another aspect is the increased cooperation between firms and non-for-profit organizations. This can enhance mutual societal influence, which typically address some current social or environmental concern (Eweje & Palakshappa, 2009), for example to combat global warming or supporting victims of natural disasters such as the 2009 Haiti earthquake. These actions also contribute positively to firms' brand, image and reputation. In simple terms, CSR has positive performance returns and should not be ignored (Semenova, Hassel, & Nilsson, 2008). One intention of this research is therefore to investigate how CSR is aligned with firm objectives and contribute to practitioner understanding.

1.3 Research Comparison

This section provides an overview of previous research and gaps in order to provide a direction for new research paths. The findings in this section will thus lead to the research scope (section 1.4) and research questions (section 1.5).

1.3.1 Previous research

Previous research in the CSR field is to a large extent limited by previous researcher preferences. First, the theory perspectives in the majority of studies address CSR from a control theory, goal theory, stewardship theory, stakeholder theory, institutional theory perspective or resource based theory (Bondy, Moon, & Matten, 2012; Donaldson & Preston, 1995; Lev, et al., 2011; Lindgreen & Swaen, 2010; Orlitzky, et al., 2003). Although the focus among these theories address the satisfaction of various and multiple stakeholders needs, previous research has investigated CSR from an explicitly normative and ethical perspective, excluding most other perspectives (Lindgreen & Swaen, 2010; Orlitzky, et al., 2003). Since all CSR activities target some specific stakeholder category (Maak, 2008) and competitive advantage and firm performance are linked to CSR (Carroll & Shabana, 2010; Wood, 2010), this research will focus on the ultimate strategic stakeholder, the customer (Wieseke, et al., 2009) as they are the prime provider of revenue. We will for this reason apply the Market Orientation theory. This will further progress research and enhance understanding amongst practitioners.

Second, the unit of analysis has shifted from macro-social impact, to the impact on organizational performance. In other words, the research has moved from an external to an internal focus of the firm, which is a core reason for this research to take a strategic and operative perspective on CSR. It is further one reason why CSR to a higher degree have become the interest of practitioners instead of academics. CSR is now considered to be a broad management philosophy in that it recognizes interdependency between firms and the society they exist in (Carroll & Shabana, 2010; KPMG, 2011). It further recognizes the existence of direct and indirect relationships between CSR and various types of firm performance (Carroll & Shabana, 2010; Drucker, 1984).

While organizational performance can have several meanings, research in the CSR field divides performance into factors of financial and non-financial nature (Carroll & Shabana, 2010). The shift to the organizational level thus suggests that researchers should address more non-financial performance-oriented outcomes and how managers can tend to interdependency issues. It is also suggested to identify the needed components to successfully approach CSR (Lindgreen & Swaen, 2010). Hence, it's important to provide overall better applicability for practitioners in how to implement and integrate CSR into their business practices (Hill, et al., 2008). The importance of improved applicability for practitioners is also voiced by researchers, arguing that CSR is an integral part of strategic management

(Noland & Phillips, 2010). This is especially important as the benefits of CSR are not homogeneous, and effective CSR initiatives are in turn not generic similar to most other strategic management components (Carroll & Shabana, 2010) or managerial disciplines.

Third, CSR has been researched in abundance from a corporate financial performance (CFP) and governance perspective, in part due to Milton Friedman's (1970) resistance of corporate social responsibility (Kolk & Pinske, 2006; Wood, 2010). This might be one of the reasons why previous research had a strong focus on U.S. firms, secondary data and specific industries, such as the banking and automobile industry (Simpson & Kohers, 2002; Wood, 2010). A summary of the previous research are available in Table 1 and in appendix 2.

Applied Theory:	Stakeholder-, control-, goal-, stewardship- and institutional theory
Underlying Perspective:	Ethical
Unit of Analysis:	Macro-social
Type of CSR:	Non-specific
Stakeholder(s):	Non-specific
Mode:	Extroverted to firm
Research Beneficiaries:	Academics
Orientation:	Results (performance) oriented (e.g. CFP)
Region:	USA
Data source(s):	Secondary (databases, indexes)
Industry selection:	Industry Specific
Scope:	Society and stakeholders in isolation from the firms
External communication:	Random or event driven

Table 1: Overview of Previous Research.

1.3.2 Research Gaps

In addition to the previous research focus, prominent CSR researchers recommend that new efforts should be directed towards how firms create mutual value with their immediate stakeholders, e.g. the customers (Harrison, et al., 2010; Wood, 2010), how to increase the interaction between firms and their customers (Du, et al., 2010) and to assess how CSR communication can provide win-win outcomes (Nielsen & Thomsen, 2010; Ziek, 2009). Essentially, proponents claim corporate social responsibility to be in the firms' best long-term interest. With this in mind, it is noteworthy that customers have in general been ignored in the CSR research field (Gadenne, et al., 2009). Despite the natural link between CSR and stakeholders, few studies explore the interaction with customers or suppliers (Lee, 2008). It is thus important to focus on customers and the Market Orientation theory, instead of assuming a performance focus only and stakeholders in general (Wood, 2010).

1.4 Scope of Research

In order to contribute to the CSR research stream, this research intends to examine some of the previous recommendations and the identified gaps (section 1.3.2). This research will therefore:

a) investigate CSR;
b) using preliminary data from surveys (in contrast to secondary data);
c) assess a broad range of industries (instead of a specific industry) for example, telecommunications, Fast Moving Consumer Goods (FMCG), ICT (Information and Communication Technologies), industrial, food and non-food retail and hospitality industries;
d) apply the Market Orientation theory perspective;
e) examine firms' methods of choice regarding CSR communication;
f) focus on customers due to the focus on strategic management; and
g) investigate external and internal strategic reasons (as opposed to ethical reasons) behind undertaking CSR; and
h) attempt to predict CSR levels based on firm level characteristics (orientations).

To accommodate this research scope and to expand into a broader more open context, the intention is to research firms and test the previous findings in a European context. This since it is claimed that the European countries lead the CSR arena (Hill, et al., 2007; KPMG, 2011). For this purpose, the research will assess publicly traded MNE's in Sweden. Sweden has been selected for this research for four reasons. First, to the best knowledge of the researcher, there is no previous literature where Sweden has been researched in the above context. Second, Sweden is a recognized world leader in sustainability and CSR (KPMG, 2011; Swedish-Institute, 2009; Zadek & MacGillivray, 2008). Third, Sweden is considered to be a high-tech capitalistic and a welfare-oriented, collectivistic country, with a large base of

multinational firms, and an innovator in CSR applications (Zadek & MacGillivray, 2008). Finally, the market orientation–performance relationship is said to be stronger in cultures with low power-distance and low uncertainty-avoidance (Kirca, Jayachandran, & Bearden, 2005). In this aspect, Sweden is ranked among the top ten for lowest power distance and among the top five for lowest uncertainty avoidance according to Hofstede's cultural dimensions (Hofstede, 2010).

As CSR is said to be positive for firms we note that Sweden (on a national level) is also a leader in intellectual property generation, Information and Communication Technologies (ICT), globalization and international competitiveness, ranking 1st of 37 countries; 2nd of 127 countries; 3rd of 122 countries and 4th of 134 countries respectively (ITIF, 2009; Swedish-Institute, 2009). In 2011 Sweden maintained high ranking positions on a range of indexes, for example in 'Responsible Competitiveness', 'EU Innovation Scoreboard', 'Global Creativity Index' and 'Global Reputation Index' where Sweden ranked 1st for all of these. Other high ranking positions were found on the 'Global Innovation Index' (2nd), the 'Global Competitiveness Index' (3rd), and the 'Environmental Performance Index' (4th) and 5th in 'The World's Most Innovative Nations' (Swedish-Institute, 2011).

By selecting Sweden for this research, more efficient data collection, higher levels of research participation and extraction of potential best practices should result due to this country's high levels of CSR and the researchers personal network in that region. The four reasons behind selecting Sweden should accommodate the above mentioned research scope. The combination could also display how interactions between firms and their customers are realized and communicated. In addition, this research will investigate potential firm level intentions of strategic gain since a win-win outcome would be of interest for practitioners, stakeholders and society.

We note that there are limitations with using only one country in our research. While these limitations are addressed in detail in chapter six, we highlight for example that differences across countries can be found in ownership structures (level of institutional owners); that national culture in regards to variations in power-distance and uncertainty-avoidance can affect levels of CSR differently; and that the assessment of CSR at the regional (national) level can vary. Since our research focus on one country and consequently does not address how our research findings potentially relate to other countries our findings might not be general.

We will further assess the CSR intentions in form of firm performance since our research context allows the extraction of both primary data (via the questionnaires) and secondary data (via annual reports). In turn, it will enhance both academics and practitioners understanding of CSR. It also means that the research will exclude purely philanthropic and regulatory requirements of CSR. Table 2 compare our research focus and previous research while appendix 2 contains an overview of the research and literature.

	Previous Research	Scope of this research
Applied Theory:	Stakeholder-, goal-, stewardship-, institutional theory etc.	Market Orientation theory
Underlying Perspective:	Ethical	Strategic
Unit of Analysis:	Macro-social	Organization
Type of CSR:	General, philanthropic	Strategic CSR
Stakeholder(s):	Non-specific stakeholders	Customers
Mode:	Extroverted to firm	Introverted to firm
Research Beneficiaries:	Academics	Practitioners and Academics
Orientation:	Results oriented (e.g. CFP)	Operations/Performance oriented
Region:	USA	Europe (Sweden)
Data source(s):	Secondary (databases, indexes)	Primary (questionnaires, interviews), Secondary (indexes)
Industry selection:	Industry Specific	Market wide
Scope:	Society and stakeholders in isolation from the firms	Customers interaction with firms
External communication:	Random or event driven	Designed and planned

Table 2a: Research Comparison Overview

1.5 Research Questions

This chapter (chapter 1) has introduced the reader to Corporate Social Responsibility (CSR), the rationale and importance to expand the research in this field, and compared previous research to assess the proper approach for this research. Since CSR is considered to be part of the strategic management field (Drucker, 1984; Porter, 2008) and a source of competitive advantage (Carroll & Shabana, 2010; Orlitzky, et al., 2003) it is valuable to increase the comprehension of CSR and assess its implementation among firms in different industries (Luo & Bhattacharya, 2009; Maak, 2008). It is further important to increase practitioner understanding of how to implement strategic CSR and how to integrate CSR with market and non-market strategies (Hill, et al., 2008).

As mentioned in the introduction (section 1.1), this research intends to add knowledge to the CSR field to both academics and practitioners. This will be achieved by researching CSR from a strategic management perspective applying the Market Orientation theory with a focus on customers. The research intends to discuss underlying strategic reasons regarding CSR enablement. It will also analyse how CSR is aligned with firm objectives, and how CSR is communicated. It will further investigate claims regarding how customer relationships, firm characteristics and market communication affects CSR and firm performance in a European setting.

To achieve these research targets, and acknowledge that many firms have specific intentions with their CSR activities, this research will discuss CSR as summarized in section 1.4 (Table 2). Initial qualitative research will first be conducted by interviewing a selection of executives for firms listed on the Stockholm stock exchange to support the quantitative research. The quantitative research is focusing on three aspects. The first aspect is to investigate if claimed relationships between CSR and corporate financial performance factors (CFP) applies to Swedish firms. The second aspect is to research if the external- and internal orientation components affect the propensity to undertake CSR in Swedish firms. The third quantitative aspect is to investigate whether a specific set-up of firm level characteristics could be assessed to predict the level of CSR in a specific firm. The combination of these three aspects, as displayed in the developed model (Figure 2), yields novelty to this research.

Overall, the target respondents will be executives that due to their formal function are responsible for strategic evolution (upgrading and adjusting strategy to comply with changing market demands) of their firm in general, thus also should be responsible for, or involved in, CSR issues. Examples of such positions are the Vice President (VP) of Sustainability, the VP of CSR, the Chief Operating Officer (COO) or the Chief Executive Officer (CEO). The qualitative component will be exploratory and address for example potential strategic intent and outcomes. This should create new knowledge to the very foundation of CSR versus only verifying previous research in a new context.

By combining qualitative and quantitative research the research follow the advice of using multiple sources to increase the overall quality (Bansal & Roth, 2000) and broadens the research scope. For the above reasons, the main research questions (being both qualitative and quantitative in nature) are:

1) Why do firms engage in CSR?
2) What are the outcomes (tangible and non-tangible firm performance effects) of CSR for those firms who engage in it?
3) How do firms structure their CSR activities (making them operative)?
4) How are CSR activities and outcomes communicated?

The above questions will deploy qualitative research (interviews) as a starting point for our questionnaire design and research. The responses will then be addressed by using, for example, regressions and hypotheses testing.

1.5.1 Research Question One:

The first research question is a fundamental question in the field of CSR: Why do firms engage in CSR voluntarily? This question will enable one of the research intentions to be accomplished in that firms that engage in CSR voluntarily and intend to gain from it logically have a reason to do so. By addressing the question of reasons to engage in CSR, it should optimally allow the answers to be categorized revealing strategic intent. It should further display managerial beliefs regarding CSR decision making. In turn it will establish a foundation for the research and subsequent discussion. This first research question is an important question that contributes to the overall applicability of this research.

1.5.2 Research Question Two:

The second research question addresses the relationship between CSR activities and firm performance (tangible and intangible). What are the outcomes of CSR for those firms' who engage in it? The research conjectures that firms that engage in CSR voluntarily to gain from it logically have some measurement in place to understand or verify goal accomplishment. This second research question is implemented in the research model using established quantitative measures. By addressing the answer from both a qualitative (primary data via the questionnaire) and a quantitative angle (secondary data from annual reports and websites) we should be able to increase the overall understanding of CSR for academics and practitioners.

1.5.3 Research Question Three:

The third research question focuses on the operationalization of CSR. The question how firms structure their CSR activities (making them operative) is important since it has been recognized that CSR activities might not lead to the same result across firms. As this also is the case for other strategic management components (or managerial disciplines), such as marketing or HR practices, it increases academics and practitioners understanding. Firms that engage in CSR with an intention to gain from it logically have some implementation or alignment structure. Optimally it will reveal potential operative patterns or 'best practices'. By addressing the question of implementation and alignment, this research attempts to address links, or gaps, between alignment and strategic intent of the firms. This is valuable as the types, structure and frequency of customer interaction and organizational level of decision authorization is core to CSR.

1.5.4 Research Question Four:

Since all types of CSR are exclusively related to some category of stakeholders (increasingly towards firms' customers) and research claims that CSR must be noticed and understood in order to deliver any benefits, then firms engaging in CSR activities logically also have an intention to inform the marketplace about such activities. The fourth research question is therefore: How are CSR activities and outcomes communicated? Hence, by addressing the question of communicative behaviour and effects, the research also attempts to assess how specific types of events and results are communicated in regards to CSR.

1.6 Research Structure

The remaining research is in the following format. Chapter Two (the Literature Review) discusses the definition of CSR, the CSR concept, its components and CSR relative to customers. It also covers the theory applied in the research and provides an overview of the literature on CSR. Chapter Three (Theoretical Model and Hypotheses Development) discusses the constructs and develops two model components. The first part of the model covers variables in relation to CSR: external orientation (towards customers) and firm characteristics in form of internal orientation (organizational positions and practices regarding CSR), for instance CSR intentions or market communication. These will be assessed in relation to a CSR Index.

The second part of the model assess whether the first part of the model and its level of CSR (rank) have some relation with a set of firm level performance indicators. In Chapter 4 (Methodology**)** we describe and explain the dependent variable, independent variables and the control variables. Chapter Four further describes the applied data collection and sampling. Chapter Five (Research Results) presents the results of the research in accordance to chosen methods. Finally, in Chapter 6 (Discussions and Conclusions) we discuss the results in terms of contribution to academics and practitioners. We also discuss recognized limitations in the research, the study and the applied methods. Chapter 6 further suggest avenues for future researchers in the field of CSR.

2.0 Overview of Literature Review

This chapter discusses the components of Corporate Social Responsibility (CSR) and its importance and relation to the Strategic Management field. We explore the literature regarding CSR and how it can be valuable to firms. The concept of CSR, its definition, adaptation and supporting and opposing arguments are then discussed. We further discuss different examples of CSR, its increasing popularity and regulatory trends. We also investigate firm level customer and market orientation (external orientation) in relation to CSR and what considerations firms' need to address in order to gain from CSR. A review of the Market Orientation theory is then addressed being our theoretical foundation. The different types of stakeholders are also discussed focusing on how customers relate to CSR and firms applying it. The chapter section ends with a discussion of what characteristics (internal orientation) firms that undertake CSR have, the strategic intent behind CSR, how firms' apply and manage CSR, how they communicate it with the marketplace and what type of performance improvements they potentially can achieve.

2.1 The CSR concept

With increased globalization and multicultural intricacy in today's market place, firms are faced with more complex interactions with, and diverse interests of, multiple stakeholders (see figure 1) and specifically with their customers. This means that firms need to apply a broader market approach that extends outside its traditional realm to better serve firm objectives (Kang, 2009; Lopez, et al., 2007; Luo & Bhattacharya, 2009). The belief that customers are increasingly better organised, more informed and more demanding, has been repeated throughout previous research (Appiah-Adu & Singh, 1998; KPMG, 2011; Ruekert, 1992).

Since the emergence of internet based social networks (for example Twitter or FaceBook) this statement is more relevant than ever. This is especially important since several sources of managerial pressure today regards firms' behaviour and business ethics rather than operative concerns applied by their customers (Gebhardt, Carpenter, & Sherry, 2006; Hill, et al., 2008; Kang, 2009; Lopez, et al., 2007; Waddock & Graves, 1997). The idea that firms should assess and apply some CSR trait is a widely accepted concept and viewed as an key determinant of a responsible business's survival, long-term performance (Ramchander, et al., 2012; Stainer, 2006) and reputation (Carroll & Shabana, 2010; Freeman, Wicks, & Parmar, 2004; KPMG, 2011; Melo & Garrido-Morgado, 2012; Miller, 2004).

2.1.1 CSR and Definition

CSR has become a corporate behaviour and management philosophy that an increasing number of firms worldwide choose to adopt (Carroll & Shabana, 2010). This can be involuntarily, that is to comply with legislation (for example in the environmental area), or voluntarily, to contribute some set of resources (for example people, time, knowledge, skills or money) for a social benefit or otherwise contribute to the betterment of some conditions normally outside the scope of the firm (Moon & deLeon, 2007). One example of such social benefit outside the normal scope of a firm is where a telecom operator developed a specific cell phone application to leapfrog the sub-performing internet infrastructure in a developing country. This application increased accessibility to banking services and revolutionized the complete banking system (see 2.1.5 'Utilization of CSR').

Carroll (2010) further explain that CSR can embody norms that internal and external stakeholders regard as just and fair, are a response to societal expectations regarding corporate citizenship, or cover active programs that promotes human welfare and good will (Carroll, 1991). While there are variations of the CSR definition, a commonly applied definition is "a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources" (Du, et al., 2010, p. 8; Kotler & Lee, 2005; Mackey, et al., 2007; McWilliams & Siegel, 2000; Waddock & Graves, 1997). While previous researchers used this definition mostly from a non-strategic view and from the Stakeholder theory perspective, this research intends to instead research CSR from a strategic perspective applying the Market Orientation theory and focus on customers. Since CSR has shifted towards being strategic (instead of ethical) with the organization as unit of analysis (instead of the society) a more recent definition is "actions that enhance a firm's competitiveness and reputation" (Hill, et al., 2008, p. 6). We therefore view this definition as more suitable for this research. We will next explore the adaptation and arguments towards CSR, the categories of CSR and the utilization of the overall concept.

2.1.2 Adapting the CSR Concept

A broader view of what constitutes a firm's domain of market interests, implies that firms' should acknowledge that all their stakeholders have the right to satisfy their needs and wants, regardless if a firm has the capacity or willingness to attend to it (Gummesson, 2008). Thus, firms are recommended to apply a mindset of meeting the modern business complexity with a more holistic market approach (Gummesson, 2008; Noha, 2009; Olson, 2008). As a result, a large number of firms worldwide have chosen to allocate financial and other resources to undertake CSR activities that extend beyond regulatory requirements (Moon & deLeon, 2007; Orlitzky, et al., 2003). By doing so, firms intend to use CSR as a strategic response (Carroll & Shabana, 2010; Wood, 2010) to market- and customer pressures by improving for example their ethical (responsible) behaviour or environmental performance,

often with the goal of increasing their competitiveness (Moon & deLeon, 2007). Since all activities in the CSR field involves internal and external stakeholders it further affects most, if not every, department of a firm (Maak, 2008).

Michael Porter (2006) highlights the omnipresence of CSR impact by stating that attention to and prioritizing CSR is unavoidable for every business leader in every country (Porter & Kramer, 2006). The result is that CSR transforms and evolves from being a 'good-will' concept into becoming a business function, a strategic management component of central importance to firm level success (Carroll & Shabana, 2010; KPMG, 2011; Luo & Bhattacharya, 2009) and a vital part of a firm's strategy (Bondy, et al., 2012; McWilliams & Siegel, 2011; Noland & Phillips, 2010). One example discussed in a 2002 PriceWaterhouseCooper survey state that "70% of global chief executives believe that CSR is vital to their company's profitability" (Carroll & Shabana, 2010).

2.1.3 Arguments regarding the CSR Concept

In situations where CSR interests are of purely external concerns to the firm, actions to apply CSR are sometimes taken and driven for personal reasons, for example by the CEO (Adams, Licht, & Sagiv, 2011; Luo & Bhattacharya, 2009; Walls, et al., 2012). Arguments against such behaviour have repeatedly been discussed in that social or environmental concern should be fulfilled by individuals through donations or by Governments via tax revenue and not by firms unless legislated (Friedman, 1970).

While Friedman (1970) discussed that firms should focus on profit maximization for its shareholders, this classical economic argument against CSR also claims that firms should do so within the framework of the society's norms. Drucker (1984) partially agreed with Friedman in that firms must first tend to profit, for without profit there are no funds available to engage in any type of CSR. However, Drucker disagrees that profit shall be the only social responsibility of a firm and stresses that CSR is important and must be addressed. Drucker's view is that firms 'must do good to do well' and that firms, not governments, are best suited to deal with social improvements as firms are faster and can more easily commit resources when a solution is perceived to be an opportunity that optimally generates mutual benefits (Drucker, 1984).

When managers become aware of potentially problematic issues of conduct, it is important to recognize that certain issues can grow and become a concern to the firm if the importance escalates over time. This could be due to that various stakeholders, customers or activists, apply pressure on a firm to engage in a specific matter –firm related or not (Maak, 2008). Committed managers and executives can then choose to react and discuss the matter in terms of potential gain (Moon & deLeon, 2007; Orlitzky, et al., 2003). Such reactions could typically evolve around intangible asset creation in form of brand enhancement or improved

reputation (Melo & Garrido-Morgado, 2012), legitimacy or integrity (Porter, 2008; Porter & Kramer, 2006).

It is further important to note that CSR not always does, or should, target the enhancement of financial performance (Lindgreen & Swaen, 2010). One recommended approach is to address potential gain via risk management and view CSR investments through the corporate lens of research and development (R&D) (Drucker, 1984). Drucker compares the aspects of R&D (an activity or activities that typically has long lead times, embodies willingness to experiment and potential abandonment of an experiment in case of lacking results) with CSR and claim them to be similar. Drucker argues that CSR activities are more likely to turn a social problem into an economic opportunity and benefit to a firm if the CSR activities are viewed long term and as somewhat experimental (Drucker, 1984).

Thus, CSR holds the power to provide economic wealth for the firm and to the society in form of productive capacity, human competence and job creation (Drucker, 1984; Porter & Kramer, 2006). These improvements can further decrease the risk of problems with third parties, media and government (Nielsen & Thomsen, 2010). In these ways, Friedman's (1970) reasoning could today be said to be within the scope of both profit maximization and responding to a society's norms (Carroll & Shabana, 2010). Caring for what interests a firm's customers (or other stakeholder categories) is decidedly pro-shareholder (Drucker, 1984; Freeman, et al., 2004; Miller, 2004).

Advocates of CSR further point to research that claim unplanned and insincere CSR to be counterproductive and instead risk negative connotations from their stakeholders (Carroll & Shabana, 2010; Ramchander, et al., 2012; Wagner, et al., 2009b). Firms are therefore encouraged to assume a strategic approach if they want to benefit from their CSR efforts (Kelly, 2009; Luo & Bhattacharya, 2009) and are advised to use the same decision framework as they do for any other strategic management decision (Porter & Kramer, 2006). One suggested way to discuss and assess intended CSR activities is to structure the idea into observable social impact (for example reduction of emissions), social programs (targeting firm specific goals or needs) or in terms of social policies which act to guide organizational decision making. It is important to align CSR efforts with firm level objectives in a strategic management fashion (Orlitzky, et al., 2003).

Another categorization approach is to focus on the justification of CSR. Carrol and Shabana (2010) suggest categorizing CSR activities and their scope into one or more of the following: (1) cost and risk reduction; (2) strengthening legitimacy and reputation; (3) shaping competitive advantages; and (4) creating win–win situations through mutual value creation (Carroll & Shabana, 2010). Regardless of what categorization approach one applies, it is important to have the top management teams (TMT) attention and staff commitment to extract the intended benefits from CSR (Gummesson, 2008; Lam, Kraus, & Ahearne, 2010; Marcel, 2009; Olson, 2008).

Our research will utilize Carrol and Shabana's (2010) categorization approach where applicable. It is further important to note that even though regulatory based CSR (for example legislated reporting requirements in annual reports) can result in a high level of CSR activities, it does not necessarily provide (any) benefits for the firm (Gadenne, et al., 2009). It is even claimed that such regulated CSR can result in negative financial performance (Miles & Munilla, 2004). The shared opinion among CSR researchers are thus that CSR should not be viewed from a cost perspective but as a long term investment opportunity (Carroll & Shabana, 2010; Drucker, 1984; McWilliams & Siegel, 2011; Orlitzky, 2000; Porter & Kramer, 2006; Wood, 2010). Addressing potential future problems today is both healthy risk management and sound preparation for opportunities thus of strategic importance to firms.

2.1.4 CSR Categories

CSR can be divided into directly philanthropic activities without any intention to gain (Maak, 2008), and activities with some strategic intent, for example to improve reputation (McWilliams & Siegel, 2011; Melo & Garrido-Morgado, 2012) or otherwise enhance firm performance (Bansal & Roth, 2000; Lev, et al., 2011). This can be either internal or external to the workplace. Examples of CSR internal to the workplace are on-site child-care provision for employees, developing non-animal testing procedures, re-cycling or implementation of internal environmental improvement programs (McWilliams & Siegel, 2001a). CSR external to the workplace can be the support of local businesses, fighting deforestation and global heating, supporting minorities, implementing external environmental improvement programs or provide disaster relief.

CSR can also be combined where an internal change has an external gain. One such example is where R&D efforts target socially preferable product attributes such as pesticide free produce (KPMG, 2011), process attributes (for example organic cultivation) (McWilliams & Siegel, 2001a) or green marketing (Luo & Bhattacharya, 2009). These all have in common that it can increase customer preference of a firm's products. Firm specific examples are Marriott Hotel's training program for chronically unemployed people, which targets higher retainment grade for low level entry positions or Microsoft's community college education program which improves IT education standards to increase their future recruitment pool (Porter & Kramer, 2006).

While all efforts towards sustainability, legitimacy, reputation, brand, image and moral duties (doing "the right thing") are examples of CSR means and targets, it is argued that the benefits are not homogenous across firms (Carroll & Shabana, 2010). It is also argued that some CSR activities, for example a firm's waste reduction program, should not necessarily be considered as CSR but a normal business decision regarding cost savings (KPMG, 2011; Porter & Kramer, 2006).

2.1.5 Utilization of CSR

Even though CSR is not a new concept it has recently increased in popularity as more firms around the world are adopting the CSR concept (Carroll & Shabana, 2010; KPMG, 2011; Porter, 2008; Reid & Toffel, 2009). To highlight the significance firms place on CSR, estimates show that publicly traded firms in the United Kingdom alone contributed almost 1% of their combined EBIT (earnings before interest and taxes) in 2003, resulting in $1.6 billion USD of donations to non-profit organizations (Carroll & Shabana, 2010). In Sweden (where charity contributions is not tax-deductible) firms contributed over $300 million USD to charity during the Christmas season 2009 (Leigard, 2009). Compared by GDP PPP (gross domestic product, purchase power parity) this translates to approximately 0.09% for Sweden and 0.07% for the United Kingdom, or $27 USD per citizen in the United Kingdom and $33 USD per citizen in Sweden or a 22% difference if compared per capita.

It is also reported that firms that engage in CSR are progressing from the prevailing focus on increased competitiveness or legitimacy, or where they act in an environmental responsible or otherwise sustainable way (Neilsen & Rao, 1987). The new direction is towards the intent of reinforcing corporate strategy (Porter & Kramer, 2006). Thus, firms are now engaging in CSR to obtain some specific benefit in return (Bondy, et al., 2012), for example increased brand loyalty (KPMG, 2011; McWilliams & Siegel, 2011). CSR has also increased in popularity globally since it is considered to be an important long-term investment that can lead to competitive advantages (Kang, 2009; McWilliams & Siegel, 2011; Orlitzky, et al., 2003; Porter & Kramer, 2006; Ramchander, et al., 2012).

In contrast, it is important to note that regulatory CSR requirements risk a negative impact on long-term social benefits and financial performance (Miles & Munilla, 2004; Miles, Munilla, & Covin, 2002). One example of negative effects are when a firm's efforts are viewed with scepticism it thus fails to provide benefits while bearing the costs (Wagner, et al., 2009b). Another is that firms with a neutral or negative CSR reputation can experience larger stock market decline in economic downturns than firms with positive CSR reputation (Peloza, 2006; Ramchander, et al., 2012).

As briefly mentioned earlier, one example where CSR is proven to be an important long term investment that leads to both a competitive advantage and improved society at large, is the case of a telecom operator and their CSR activities in a developing country. Due to poor general infrastructure, poor IT infrastructure, low level of computerization and low levels of internet coverage, the country of Pakistan suffered from a suboptimal banking system. Now the banking system has been revolutionized by using cell phone applications provided by a telecom operator. As the majority of the adult population in Pakistan does not have a bank account, a partnership between mobile operator Telenor Pakistan and Tameer Microfinance Bank resulted in a service to overcome the problem. The service is called EasyPaisa and was launched in October 2009. EasyPaisa is a mobile-account service that features savings and withdrawals, remittances and bill pay.

Over twenty million Pakistanis can now open a bank account at any EasyPaisa merchant or participant, for example the local tobacconist. There they can perform their banking transactions without the need for visiting a bank branch office. Currently over sixty per cent of Pakistanis use mobile-phone services and the usage of cell phone banking is increasing rapidly (CNN, 2010c). This leapfrogs the need for internet banking since an improvement of Pakistan's internet infrastructure would be vastly more expensive to accomplish in the same timeframe. The telecom operator who owns the cell phone based banking infrastructure, Telenor, are now well respected by the Pakistanis as a company not only providing telecom products and services but socially contributes to the improvement of the Pakistani society. They also report a substantial increase in brand loyalty among their customers even though they opted to let the EasyPasia system to be open (non-proprietary) thus allowing competing telecom operators to connect to the system. Telenor has in this way created a strong competitive advantage even when deliberately enabling direct competition.

The increased popularity in CSR is further displayed on the regulatory sector where firms increasingly are expected to apply corporate transparency and report their CSR efforts (KPMG, 2011). Previously, regulations have more addressed some particular area of CSR, typically within the environmental area. Two mature international examples is the 'American Clean Air Act' from 1977, and the 'Environmental Offences and Penalties Act Australia' from 1989. However, the more recent regulations specifically address CSR.

One example of a regulatory change is found in Denmark where a law effective from 1st January 2009 requires larger publicly traded firms to report all CSR activities in their annual reports (Danish-Parliament, 2009). Danish firms do not have to undertake any CSR but they must report their scope. In short, Danish businesses are free to choose whether or not they wish to undertake any CSR activities voluntarily. However, there is a statutory requirement that large businesses in Denmark now must take a position on CSR in their annual reports. The Danish Parliament adopted the proposed "Act amending the Danish Financial Statements Act: Accounting for CSR in large businesses" on 16 December 2008. The aim is to inspire businesses to take an active position (engage in) on corporate responsibility and communicate their activities. The statutory requirement is part of the Government's action plan for CSR and is intended to help improve the international competitiveness of Danish trade and industry (Danish-Parliament, 2009). The Act covers large businesses, listed companies and state-owned companies. Large businesses are businesses that exceed two of three size limits: a) total assets/liabilities of 143 million DKK ($26.6 million USD); b) having net revenue of 286 million DKK ($52.3 million USD); and, or c) having an average of 250 full-time employees (Danish-Parliament, 2009). The United Kingdom is currently also investigating a similar regulatory approach.

Several ranking lists are also available providing country level positioning in CSR behaviour (ITIF, 2009, 2011; Swedish-Institute, 2009, 2011). For example *'The Climate Change Performance Index'* (GermanWatch, 2009); *'CSR: State of Responsible Competitiveness'* (Accountability, 2009), and *'The Environmental Performance Index'* (Yale-

University, 2009). Another sign of the increasing importance of CSR is that the ISO organization (International Organization for Standardization) has extended their standards to cover CSR. The ISO14001 standard, which is an environmental performance certification, was complemented 2011 with the new ISO26000 CSR standard (Balzarova & Castka, 2012; Haleblian, Devers, McNamara, Carpenter, & Davison, 2009; Harrison, et al., 2010; ISO, 2009; Wieseke, et al., 2009; Yale-University, 2009).

CSR also varies in popularity on the regional level. European firms are said to lead broadly in all areas of CSR today (Hill, et al., 2007; KPMG, 2011) while U.S firms limit their focus by claiming CSR to be avoiding participation in, for example, the tobacco or arms industry (Kinder, Lydenberg, & Domini, 2009; MSCI, 2012). Asian firms have started to follow their western counterparts' approach in an exploratory way and to imitate best practices of firms in the U.S and Europe (Hill, et al., 2007; KPMG, 2011).

Firms who voluntarily undertake CSR are numerous and can be found in any industry and region, among any size of firms and firms with, or without, multi-national operations. Specific examples of firms involved in CSR include GE (industrial equipment), Carlsberg (FMCG), IKEA (retail), Toyota (automobile), Microsoft (computer software), Nestle` (FMCG), Ericson (telecom) and DuPont (industrial chemicals). All of these firms have substantial CSR programs listed on their respective website (see the 'Websites' section). It is noticeable that CSR is also frequently used in firms providing services, for example financial services, banking, utilities and hotels. Some service industries further have industry specific accreditation organizations regarding CSR components. Regardless from what source or level the initiatives comes from, or what drives the initiatives, challenges for one firm or a single industry commonly transfer across (spill over) to bring about changes for most firms (Reid & Toffel, 2009). One should therefore expect CSR to increase in popularity, both enforced for instance via reporting regulations and voluntarily.

2.2 CSR and External Orientation

As discussed in a previous section (2.1.1 CSR Definition) a large number of firms voluntarily choose to change their practices or allocate financial and other resources to apply CSR activities regardless the associated costs in beliefs that it will benefit the firm (Moon & deLeon, 2007). A common reason is that firms' recognize that more types of stakeholder categories are relevant to a firm today than they previously believed were relevant (Delmas & Toffel, 2008; Donaldson & Preston, 1995). To build, nurture and develop an honest and open involvement with stakeholders in general, and customers specifically, is of course a vital part of any firms' strategy (Jaworski & Kohli, 1993; Noland & Phillips, 2010). Hence, the commitment to CSR should not be viewed as a cost or constraint, but as a long-term investment (Kang, 2009; Orlitzky, et al., 2003). Attention to CSR is therefore basically

unavoidable for any business leader, and a source of innovation and competitive advantage (Porter & Kramer, 2006).

With CSR being defined as a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources (Du, et al., 2010; Kotler & Lee, 2005; Mackey, et al., 2007; McWilliams & Siegel, 2000; Waddock & Graves, 1997), the immediate question regarding such external orientation is to whom. The answer to this question –stakeholders- can be very complex and straightforward at the same time. The answer is likely to be more readily assessable when discussed in terms of firm level gain (focusing on customers specifically) than if one would attempt to assess for example country level effects (focusing on society in general). We therefore divide this section into customer orientation as the focal point for CSR and the interaction with them.

2.2.1 Customer Orientation

Since all types of CSR (strategic CSR, philanthropic CSR or regulatory requirements of CSR) will affect some or several categories of people, it is important to include the broader concept of stakeholders in any CSR discussion (Freeman, 2007; Lindgreen & Swaen, 2010). Despite that our research target one specific stakeholder category (the customers) any CSR activity that increases some aspect of customer satisfaction also positively affect employees (and their families), the local community, and the society at large. The reason is that CSR is conceived of as multidimensional and contribute to economic development while improving the quality of life for several stakeholder categories regardless if a firm select a specific stakeholder.

Stakeholders to a firm are any person, group or organization that directly or indirectly has an interest in the firm, are affected, or can be affected, by the firm's business activities, actions, objectives, policies and value creation processes (Freeman, 2007, 1984; Freeman, et al., 2004). For example, managers, employees and shareholders are considered natural internal key stakeholders, while suppliers, customers, governments, political groups, trade associations, unions and communities at large are also key, yet external, stakeholders (figure 1) (Donaldson & Preston, 1995). The term 'Stakeholder' originated from Stanford Research Institute (SRI) and referred to "those customer groups without whose support the organization would cease to exist" (Elijido-Ten, 2007, p. 4). We note that the original term specifically is oriented towards customers.

Regardless if we pursue the question of what stakeholder category is most worthwhile to address as a direction of this research, or what a particular firms' objectives might be, its managers should consider the legitimate interests of groups and individuals who can affect, or be affected by, their strategic business activities (Freeman, 1994, 2009, 1984; Freeman, et al., 2004). In principle, this means every customer, supplier, community, manager, employee and

basically every citizen (Freeman, et al., 2004). As mentioned above, focusing on the customers is the obvious and most natural starting point as customers are the immediate market stakeholder (Gummesson, 1987, 2008; Noland & Phillips, 2010).

Since CSR have been overly researched from a Stakeholder theory perspective we will assess customers via the lens of the Market Orientation theory. We believe that this approach will increase our understanding of firm level effects and practitioner operationalization from a strategic point of view. Firms that apply CSR initiatives prove to some extent to be willing to assess, change, adjust or develop their business activities, or at least business practices, to achieve some benefits in consideration of their customers. That is, they strive for different external and internal orientation than firms' who do not apply CSR. For example, firms interact with different types of customers to gain CSR related cost reductions or increased positive reputation (Moon & deLeon, 2007; Naffziger, Ahmed, & Montagno, 2003). It is thus natural to include the type of relationship firms deploy with their customers in CSR research. We will for this reason target selected relationship components, for example shared projects and information exchange with the customer (Harrison, et al., 2010).

As it is crucial for any firm to interact with their customers, firms' naturally view their customers' needs and wants as important, and potentially also some needs and wants that may be outside the normal business scope (the exchange process of products and services). Since it could be vastly expensive, out of a firm's scope, and of course not even desirable, to tend to every customer needs and wants, firms that apply CSR do so as an economic and efficient response in recognition of that some customers or other stakeholders extended needs and wants could be relevant to the firm as well (Delmas & Toffel, 2008; Donaldson & Preston, 1995). Firms' will basically get more for their money as 'good deeds' in one area spills-over and create reputational effects in other areas (Kolk & Pinske, 2006).

McDonald's contribution to children's hospitals, for example, makes the overall firm appear socially responsible even though the deed is unrelated to their core business (fast food). Since stakeholder importance to firms also increases in general (Carroll & Shabana, 2010; KPMG, 2011; Reid & Toffel, 2009) more firms are attempting to design their CSR agenda not only to provide some value to the market place but also to gain from it (Bansal & Roth, 2000; Bondy, et al., 2012; Kang, 2009; Lev, et al., 2011; Porter, 2008).

When firms target customers in their CSR dialogues it can thus support the development of value in economic and societal terms (Drucker, 1984; Murray & Montanari, 1986; Wood, 2010). This leads to an increasing demand that CSR should incorporate some specific strategic purpose, for example to enhance customer relationships or to build brand value (Gadenne, et al., 2009) and not only provide some general benefits for the society at large (Drucker, 1984). An important factor is that different types of customers (consumers-, business- or government customers) are likely to have different influencing effect on firms' willingness to apply CSR voluntarily (Naffziger, et al., 2003).

2.2.2 Customer Interaction

If a firm intends to develop some CSR derived value they should include representatives of the customers in their CSR dialogues (Murray & Montanari, 1986). For example, if a firm desires to create credibility and a positive reputation via some activities, it is paramount to establish broader interactions with multiple customers and perhaps even wider communities to enable a mutual understanding and recognition (Biehal & Sheinin, 2007). Firm level CSR activities that have no support from their customers will not provide beneficial results (Carroll & Shabana, 2010). It must further be in accordance with firm level objectives and some set of societal objective (Carroll & Shabana, 2010; Noland & Phillips, 2010). This is important as customers have the ability to reward or punish a firm for their societal behaviour (Neilsen & Rao, 1987; Peloza & Papania, 2008; Ramchander, et al., 2012).

Where rewarding or punitive actions are taken it is usually based on power differences, perceptions of urgency, and the general legitimacy of a particular issue (Neilsen & Rao, 1987). To address this, Gummesson (2008) claims that firms today must embrace a mindset focusing on, and acknowledge that, all customers have the right to satisfaction of their broader needs and wants.

Thus, firms should realize that various customer targets might be aligned with, or in conflict with, what a particular firm wants (Lev, et al., 2011). This contributes to the business environment complexity in that firms need to apply an extended market approach that goes beyond their customers (towards society at large) to better serve firm level objectives (Kang, 2009; Lopez, et al., 2007; Luo & Bhattacharya, 2009). Unattended, customer concerns in one industry sector can easily transfer to another (Balzarova & Castka, 2012). Such spill over effects has large power on firms to engage in, or change, their approach to CSR (Reid & Toffel, 2009). In turn, this can increase the firm-customer interdependency and bring organizational adjustments to better cater for them in regards to their needs and wants (Porter & Kramer, 2006).

While it is common that firms choose to engage in CSR, it is equally common that it is initiated by some stakeholder category directly or indirectly via applied pressure from them. Customers for example (and to a large extent other stakeholder groups such as potential customers, suppliers, legislators, environmental groups and financial institutions) today call for firms to adapt environmental measures or standards and, or, to implement some CSR activities (Gadenne, et al., 2009; Gummesson, 2008).

Other triggers for customers to react to firms' CSR activities, or lack thereof, are the owners and managers attitudes towards the social community (Kang, 2009) commonly as displayed in media. A recent example (June, 2010) is when the newly appointed Chairman of British Petroleum (BP) Mr Svanberg remained silent during the first five weeks of the Mexican Gulf oil spill despite that the U.S President Barack Obama criticized the Chairman for his 'no-comments' response. Mr Svanberg's approach was that it was the job of the CEO

(and not the Chairman) to comment and address the oil spill. When Mr Svanberg later, due to immense societal pressure, commented on the oil spill he selected YouTube as media where he stated the problem from a personal perspective by saying that he expected his new job to provide an easier ride. This was made worse when summoned to the White House for consultations with the U.S President, Mr Svanberg was quoted to claim "to indeed be sorry for the small people in the Gulf region" (CNN, 2010a, 2010b). The people residing in the Gulf were not pleased to be referred to as 'small people' in their time of need. This ignorance also created an outcry in Europe where Greenpeace activists later in July 2010 erected barricades and effectively hindered BP customers from refuelling their cars at gas stations in the U.K (BBC, 2010). A number of voices have since been raised demanding Mr Svanberg to resign from his position as Chairman of the Board for BP (Munkhammar, 2011).

As firms' customer categories (consumers-, business- or government customers) can affect firm level willingness to undertake CSR (Naffziger, et al., 2003) individual managers can self-select to engage in CSR. Such personal commitment can arise when a manager personally concludes and perceives that CSR activities can bring firm level benefits. This commitment can then increase as their personal interest lead them to actively search for CSR related information that positively reinforce their view. These individual managerial behaviour and beliefs can affect firms' investments in CSR to gain various benefits. Typically these attempts evolve around increasing operating efficiency, profit or image enhancing activities, or to address differentiation aspirations in their marketing strategy (Adams, et al., 2011; Porter, 1999).

Either way, stakeholders in general, and customers specifically, are tightly connected to firms as firms would not exist without them. Hence, one should expect that customers in general frequently have some opinions of a firm's CSR activities or lack thereof. However, despite the natural link between CSR and core stakeholders, few studies explore customer interaction (Lee, 2008) and it has even been unattended to in the CSR research field in general (Gadenne, et al., 2009). Firms will find that CSR can lead to closer relationships (Olson, 2008) and that CSR can evolve from formalized organizational structures (Berkhout & Rowlands, 2007).

The drivers behind these relationships are commonly related to intra-firm objectives (such as joint project teams), the perceived significance of a particular issue (such as mutual efficiency programs) and individual managerial concerns (Bansal & Roth, 2000), especially when customers share a common interest in environmental issues (Olson, 2008). CSR activities must thus be supported and highlighted via multilateral communication in general. For many firms, the key driver behind CSR demands (for example an increase in producing more environmental friendly products) is because of their customers (Lee, 2008), as firms consist of stakeholders and their relationship networks which make up the society and the markets in which firms operate (Noland & Phillips, 2010). These are further reasons why we have chosen to research CSR via the Market Orientation theory perspective focusing on customers.

2.2.3 The Market Orientation Theory

The market orientation (MO) theory is essentially a business philosophy or a policy statement (Kohli & Jaworski, 1990). MO addresses how organizations adapt to their customer environment and apply a strict focus on serving customers to develop competitive advantages (Hurley & Hult, 1998; Liao, Chang, Wu, & Katrichis, 2010; Slater & Narver, 2000). MO related competitive advantages can arise from closer ties to customers (Hyvönen & Tuominen, 2007) or increased customer loyalty (Kirca, et al., 2005) all of which is crucial in an ever-changing business environment (Alhakimi & Baharun, 2010; Aziz & Yassin, 2010; Liao, et al., 2010).

It is suggested that a MO practicing firm is one that deploys the three pillars of the marketing concept (customer orientation, coordinated market interaction and profitability) and ensure these are manifested in its operations (Kohli & Jaworski, 1990; Mulyanegara, 2010). Despite that MO has been researched since the early 1970's, it has for the past ten years increased significantly due to its strong relation with the strategic management field (Liao, et al., 2010).

Earlier definitions (1970's) of the MO theory are "a philosophy of business management, based upon a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the important role of marketing in communicating the needs of the market to all major corporate departments" (Kohli & Jaworski, 1990, p. 3; Russo & Fouts, 1997). Reukert (1992, p. 227) defined MO as "the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it".

The proposition of the MO theory is basically that the success of a firm depends on how successful the TMT and individual managers are in managing their customer relationships (Deshpandé, Farley, & Webster Jr, 1993; Freeman, 1984; Kohli & Jaworski, 1990; Ruekert, 1992). The theory further calls for managers to communicate intended value creation to highlight what brings their customers together. It thus forces managers to clearly communicate how they want to do business and what type of relationships they want with their customers (Freeman, et al., 2004; Kohli & Jaworski, 1990).

Variations of the definitions are also found in Narver and Slater's research (1990) where they defined MO as "the organizational culture that most effectively and efficiently creates the necessary behaviour for the creation of superior value for customers and, thus, continuous superior performance for the business" (Alhakimi & Baharun, 2010, p. 41; Narver & Slater, 1990, p. 21). Other definitions have discussed MO as "a corporate state of mind that insists on the integration and coordination of all the marketing functions which, in turn, are melded with all other corporate functions, for the basic purpose of producing maximum long-range corporate profits" (Kohli & Jaworski, 1990, p. 2). A more recent definition of MO is found in Lam's paper (2010) as "an organizational practice of integrating customer

preferences, competitor intelligence, and product knowledge into the process of creating and delivering superior value to customers" (Lam, et al., 2010, p. 62).

Since our research has the organization as unit of analysis, we find Reukert's (1992) definition of MO for the organization level as the most suitable. That is, an organization that; a) obtains and uses information from customers; b) develops a strategy which will meet customer needs; and c) implements that strategy by being responsive to customer's needs and wants (Ruekert, 1992). This definition is suitable for our research as the MO 'philosophy' can be operationalized by its implementation reflected in the activities and behaviours of an organization (Kohli & Jaworski, 1990) all in accordance with our research questions. This means that to gain some benefits from the MO application a firm must implement and use it to gain trust and credibility from its buyers (Kohli & Jaworski, 1990). This is also the underlying traits for CSR (Hill, 2006).

For CSR to be of value to the firm applying it, CSR must be operationalized in a fashion that is aligned with the firm's business activities. It must make sense to the customers. To be successful, firms' CSR efforts must be based on some aspect that is within the customers' tolerance or sense making. Hence, firms' must obtain information about their customers concerns that extends beyond the value proposition that the customer acquire in the market exchange process. Once examined in relation to the firm, the chosen CSR deliverables should consequently be implemented in the firm's CSR program. In this way, we find that both Ruekert's (1992) generic MO components, and Kohli & Jaworski's (1990) and Mulyanegara's (2010) MO components regarding customer orientation and coordinated market interaction is aligned with CSR. Thus, a chosen CSR deliverable aligned with (disseminated) the customer's preference must be designed (generated) and communicated (responding) to the customers. This is also an intercept between MO and CSR in line with Kohli & Jaworski's (1990) and Hill (2006) definitions. The application of quantitative research questions is also suitable as most of the MO research up to date has been qualitative in nature (Kirca, et al., 2005).

As the purpose with strategic CSR is to achieve more favourable customer perceptions of a firm and its goods and services and to communicate their CSR initiatives to positively affect firm level performance; and MO is solely focusing on customers for the same reasons; the conjunct use of these concepts are logical and should provide improved academic and practitioner understanding. Thus, there is a cross road where CSR and MO intercepts and accordingly firms' using both CSR and MO: a) entail some organizational function that actively develop an understanding of customers' current and future needs and the factors affecting them; b) communicate these internally and externally; and c) design activities or programs targeting a selection of customer needs (Kohli & Jaworski, 1990). In other words, both CSR and MO refer to organization wide generation, dissemination, and responsiveness to market intelligence (Kohli & Jaworski, 1990).

Further, it is pervasive in the MO literature that profitability is a consequence of MO rather than a part of it (Kohli & Jaworski, 1990). This is also pervasive in the CSR literature. It is further suggested by both the CSR literature and the MO literature to not only look for direct financial performance but for indirect (and sometimes less quantifiable) results as well (Slater & Narver, 1994), for instance improved brand image, increased quality perceptions and customer loyalty and stronger stakeholder relationships (Du, et al., 2010; Kirca, et al., 2005). Another core essence of MO, and yet another close relation to CSR research (where the stakeholder- or institutional theory is frequently applied) is that the focus on customers' interests should not exclude those of other stakeholders (owners, managers, employees) (Appiah-Adu & Singh, 1998; Deshpandé, et al., 1993). Specifically as individuals may have different stakes (roles) in relation to an organization. A stakeholder might for example be both a customer, an employee, a prospective employee or an investor or a combination thereof to a firm (Sweeney & Coughlan, 2008). One should remember that in both the stakeholder theory and the MO theory it is said that any person, or group, who by choice participates in a firm's activities, they have some interest to benefit from it. It is further common, even likely, that differing customer groups present different and often conflicting interests (Neville & Menguc, 2006; Sen, Bhattacharya, & Korschun, 2006).

With businesses having the purpose of crafting value in form of products or services, the target is to ensure that its customers and owners all win continuously over time (Freeman, et al., 2004). This translates into that a firm's value proposition must be in alignment with customers' interests, or new collaborations might be formed as participants exit due to non-conformity (Freeman, et al., 2004). Thus, firms' that fail to manage their customers' interests will lose customers as competitors are given an opportunity (Elijido-Ten, 2007). This is arguable a reoccurring challenge as external forces (increased international competitiveness, rapid technology changes, decreased product life cycles) lead managers to increase market focus and attention to a broader range of customer attitudes, needs and wants (Ruekert, 1992). In today's marketplace, consumers are increasingly better organized, have greater accessible information, and are generally more demanding (Appiah-Adu & Singh, 1998). MO is for the above reasons reported to be increasingly important and recommended to be viewed via the lens of strategic management as a focus for its implementation (Deshpandé, et al., 1993; Gebhardt, et al., 2006; Tomášková & Kopfová, 2010).

MO is integrated with strategic management in that the strategic planning process explicitly considers customer needs and wants and develops specific strategies for satisfying those customer demands (Ruekert, 1992). This is important as businesses often fail to maintain a focus on the ever changing customers and markets it serves. Shapiro (1988) identified three critical firm characteristics to build MO. First, that information of all important customer (buying) influences should be omnipresent within the firm. Second, strategic and tactical decisions should be well coordinated across divisions and functions (cross functional teams). And finally, that decision making and execution should be taken with commitment from the organization and support from the TMT. This leads to the tenets of corporate culture. To be successful, or even superior, organizations need to have a market-

oriented business culture that provides strong norms for learning from customers and competitors (Brady & Cronin, 2001; Gebhardt, et al., 2006; Lam, et al., 2010).

To recognize and perceive the customers as generally important is no longer sufficient. As stated above, a customer focus must be more fundamental, integrated and operationalized in a firm's culture. Focusing solely on knowledge of actual and potential customer needs is inadequate. Just like CSR benefit of being embedded in a firm's values and beliefs, MO also benefits from this approach where both become reinforced by the organization (Deshpandé, et al., 1993). CSR is not only believed to be an enabling investment, but CSR and MO firms are also more attractive to customers and investors (Barnett, 2007). Higher levels of MO are associated with business cultures that emphasize learning, development, and participative decision making (Hurley & Hult, 1998). Trademarks of cultural values impacting MO is reported to have a foundation of trust, openness, keeping promises, respect, collaboration, and viewing the market as the reason to exist (Gebhardt, et al., 2006). Thus, a MO culture should therefore also be omnipresent within the firm such that employees consistently exhibit customer-oriented behaviours (Brady & Cronin, 2001).

The belief that MO improves, or even leads to superior, firm performance is an almost fifty year old belief (Appiah-Adu & Singh, 1998; Deshpandé, et al., 1993; Hult & Ketchen, 2001; Lam, et al., 2010; Levitt, 1960; Morgan, Vorhies, & Mason, 2009). It is further well established in three different meta-analyses that the performance effect remains robust across diverse institutional and cultural settings (Ellis, 2010). However, to achieve long-term benefits firms are recommended to not only focus on customers' interest but on those of other stakeholders (owners, managers, employees, suppliers, competitors) as well (Appiah-Adu & Singh, 1998; Deshpandé, et al., 1993). Examples of improved performance are increased employee commitment to work tasks and improved sales performance (Kang, 2009; Porter, 2008; Wieseke, et al., 2009). Recent research report that the strongest factors to affect MO and firm performance is TMT commitment (Lam, et al., 2010) and that coordination across organizational functions (cross functional teams) has the most positive effect on customers brand perception (Mulyanegara, 2010). In direct measurement, MO is also reported to have a positive effect measured as ROA (Morgan, et al., 2009; Ruekert, 1992; Walls, et al., 2012).

When researching MO in specific industry settings, it is found that the MO–performance relationship is stronger in samples of manufacturing firms, in low power-distance and low uncertainty-avoidance cultures, and in studies that use primary (intangible) measures of performance (Kirca, et al., 2005). It is further claimed to be more vital for service organizations (Brady & Cronin, 2001) and in business-to-business (B2B) contexts where relationships tend to deal with smaller numbers of larger customers (Liao, et al., 2010). Other researchers that have assessed MO from an industry perspective, claim MO to enhance customer satisfaction and loyalty for the augmented (i.e. a supporting non-physical product component) part of their products (Kirca, et al., 2005; Lev, et al., 2011). Finally, MO has been reported to be a failure-prevention approach (a hygiene factor) in service firms and a success-inducing approach in manufacturing firms (Kirca, et al., 2005).

2.3 CSR and Internal Orientation

This research will address CSR at the macro-, industry-, firm- and the stakeholder level (customers). Since firms undertaking CSR can be found in any region (for example the EU, the U.S and Asia), in any industry (for example financial sector, utilities or retail) or in any setting (i.e. government owned, privately owned, publicly traded and non-traded firms, profit driven firms and non-for-profit organizations) research in CSR is better discussed in light of internal orientation at the organizational level (the firm) than as commonly approached in previous research the macro level (social impact). The reason is that our research assumes an introverted view of the firm since CSR by definition comes from within the firm. We also focus on how firms engaging in CSR structure themselves internally to gain from their CSR initiatives.

2.3.1 Strategic Orientation and Intent

An example of internal orientation at the organizational level is whether a firm has activist pressure on their risk management agenda, or has government customers as both these characteristics can spur organizational changes (Reid & Toffel, 2009). While there might be as many different characteristics of internal orientation as there are firms, some key areas could be more present in firms that practice CSR. It is for example explicitly recommended to ensure that any CSR efforts is part of, and aligned with, the overall repertoire of value creation tools such as marketing, R&D and branding instead of 'flying blind' (Luo & Bhattacharya, 2009). Again, firms are recommended to manage and implement CSR like other strategic components (Luo & Bhattacharya, 2009; Orlitzky, et al., 2003; Wagner, et al., 2009b), or managerial disciplines, as CSR requires organizational adjustments and structured relationships supported by incentives (Lev, et al., 2011; Porter & Kramer, 2006).

Since CSR has emerged as an important long-term investment that can lead to competitive advantages (Kang, 2009; Orlitzky, 2000; Orlitzky, et al., 2003; Ramchander, et al., 2012) it is of value to investigate internal orientation of firms that undertake CSR. We will for these reasons investigate the strategic orientation (for example the extent firms' monitor changes in customer demands, monitoring customer expectations or predict competitor behaviour), strategic intent (for example risk- or cost reductions or to gain positive reputation or other competitive advantage), the application of industrial standards, operative CSR management and communication efforts in this research.

2.3.2 Macro level CSR management

While a majority of firms around the world might be unable, or unwilling to commit the resources needed to replicate the positive outcomes of CSR high performers best practices (Semenova, et al., 2008), CSR is expected to become an accepted component of everyday corporate life (KPMG, 2011; Porter & Kramer, 2006). CSR is already an accepted component of corporate activity in several European countries, for example in Sweden and Denmark who both rank high on CSR related indexes (see table 3 for Sweden) (ITIF, 2009; Swedish-Institute, 2009). While most Swedish firms' voluntarily have expanded their corporate governance to cover CSR in their annual reports, most Danish firms since 2009 are required by law to (section 2.1.5) disclose the extent of their firm level CSR activities in their annual reports (Danish-Parliament, 2009). This means that at least Danish firms must create a new firm level characteristic in form of a CSR-function or CSR-committee to at least aggregate CSR information in order to address the extended corporate governance and annual report requirements. Corporate governance and CSR are increasingly becoming linked together (Hull & Rothenberg, 2008; Kolk & Pinkse, 2010; Ring & Vandeven, 1992; Waddock & Graves, 1997; Walls, et al., 2012) and in turn increases the level of internal orientation regarding CSR matters. It is likely that this increased propensity to include CSR in annual reports (KPMG, 2011) will transfer into other European countries, for example the U.K who is investigating a similar legislation as Denmark.

Ranking List 2009	Sweden Rank #	# of countries
CSR: Responsible Competitiveness	1	108
Climate Change Performance	1	56
European Innovation Scoreboard	1	37
Global ICT Report	2	127
Globalization Index	3	122
World's Most Innovative Nations	3	31
Environmental Performance Index	3	149
Global Competitiveness Report	4	134
Global Talent Index	5	30

Table 3a: CSR ranking Lists 2009

Ranking List 2011	Sweden Rank #	# of countries
CSR: Responsible Competitiveness	1	108
European Innovation Scoreboard	1	37
Global Creativity Index	1	N/A
Global Reputation Index	1	N/A
Global Innovation Index	2	N/A
Global Competitiveness Report	3	134
Environmental Performance Index	4	149
World's Most Innovative Nations	5	31
Global Talent Index	7	30

Table 3b: CSR ranking Lists 2011

In general, it is said that European firms lead broadly in all CSR areas today (Hill, et al., 2007; KPMG, 2011) while U.S firms tend to limit their focus to avoid, for example, such areas as participation in the tobacco or arms industry (Kinder, et al., 2009). Basically, the level of CSR and strategic implementation thereof varies across countries (Maignan & Ralson, 2002). In South-America and Asia, firms have started to follow their western counterparts approach in an exploratory way to imitate best practices of firms in the U.S and Europe (Hill, et al., 2007; KPMG, 2011). Today, CSR is going global among both developed and emerging nations (Lindgreen & Swaen, 2010). Recent research also state that CSR is increasing globally in general (Kolk & Pinkse, 2010; KPMG, 2011). It is further reported that CSR is specifically increasing for firms with global or multinational operations (Bondy, et al., 2012). We will for these reasons investigate how CSR is managed in firms deploying it.

2.3.3 Industry level CSR Management

When assessing the industry level, we find that CSR previously is more common in mature markets where for example differentiation plays a larger role, such as in the food, pharmaceuticals, financial services, utilities and automobile industry (McWilliams & Siegel, 2001a; Simpson & Kohers, 2002). Firms that prefer to apply CSR as charitable contributions (one type of characteristics), are today seemingly more common in retailing and financial services where it is found to be significantly associated with future revenue (Lev, et al., 2011). Firms with commodity type products, or businesses that an average consumer might find difficult to relate to (for example large heavy industrial corporations like 'General Electric' or 'ABB'), are also more likely to engage in CSR investments (Hult, Kethcen, & Arrfelt, 2007; McWilliams & Siegel, 2001a; Ramchander, et al., 2012).

Firms that are predominantly active as NGO's can by its nature be said to have a multitude of CSR related characteristics. Examples of CSR-NGO's are the "Halo Trust" who disarms landmines in third world countries, "Green Peace" being a safe-guardian of the global environment or "Amnesty International" who report on human rights issues and violations thereof. Since these types of organizations focus is CSR (as compared to for-profit organizations where CSR is a complement to their core operations) we disregard them in this research. We will for these reasons control for industry belonging when researching for-profit-firms and their firm specific characteristics in relation to CSR.

2.3.4 Firm level CSR Management

If some industries are more likely to engage in CSR than others, firm characteristics such as level of internal orientation related to CSR can transfer as spill over effects between firms in related and unrelated industries (Reid & Toffel, 2009). For instance, where one firm implement reverse supply chain logistics (where reclamation, reuse and recycling can have environmental implications) it will impact other market actors to participate to some extent (Leire & Mont, 2010; Sarkis, Helms, & Hervani, 2010). Spill over effects occurs since both customers and government actors can spur, or pressure, changes in organizational practices at both the firm-, industry- and society level (Porter & Kramer, 2006; Reid & Toffel, 2009).

For those firms who choose to only engage in CSR activities as compliance to regulatory requirements it is equally important to apply at least some organizational characteristics, at minimum in form of a CSR committee, in order to meet the prospective regulatory demands (Gadenne, et al., 2009). Managed in such a way, firms can reduce the risk of losing indirect benefits derived from CSR by performing formal or informal dialogues with for example their customers (Lindgreen & Swaen, 2010). Hence, we will investigate how CSR is managed among our sampled firms.

2.3.5 Standards and CSR Management

On the firm level, it is strongly recommended that every department should participate in making CSR successful to decrease the risks of failure with the investment (Luo & Bhattacharya, 2009; Maak, 2008; Orlitzky, et al., 2003; Wagner, et al., 2009b). Since efforts regarding CSR are omnipresent it benefits from coordination (Maak, 2008; Porter & Kramer, 2006). This could be displayed via extensions to a strategy department's sphere of influence, new positions or updated job descriptions (for instance a Manager for CSR activities), or using key account managers (KAM's) to coordinate CSR activities with their customers (Lam, et al., 2010). That is, it needs to be discussed in a holistic perspective by the top management team (TMT) (Gummesson, 2008). As an example, ethical considerations, socially responsible purchasing criteria and value chain decisions needs to be discussed in

relation to each other. CSR is thus the responsibilities of the TMT and should be part of their agenda (Lam, et al., 2010; Leire & Mont, 2010; Lopez, et al., 2007). CSR therefore benefits from group coordination which is an element of organizational design and the subject of managerial choice (Grant, 1996). This is yet another reason to include CSR management in this research.

Due to the increasing awareness of environmental issues, there is also a rising demand from customers, suppliers and other interest groups (for example legislators, environmental groups and financial institutions) on firms to adapt environmental measures or standards at minimum and, or, to increase CSR in general (Deegan, 2007; Gadenne, et al., 2009; Gummesson, 2008). Hence, we will also investigate if firms' engaging in CSR has some framework (standard) to support it. However, even though these demands are mostly customer driven, other direct and non-direct interest groups also issue demands, making it important and difficult for firms to decide why, when and which external demands to respond to (Bansal & Roth, 2000). This makes it a compelling reason to limit this research to focus on customers assessed by the overall internal orientation. In conclusion, we will investigate internal orientation in aspects of firms' overall strategic orientation, strategic intentions with their CSR efforts, the presence of industrial standards and CSR management.

2.4 CSR and Market Communication

Communication of CSR is vital in order to create and sustain desired reputational effects (Scholder, Webb, & Mohr, 2006). Regardless of what type of CSR activities a firm applies, it will contribute to their reputation for better or worse. A firm's reputation can enhance its value offering (Melo & Garrido-Morgado, 2012) thus positively affect customer purchase decisions if CSR communications are correctly applied (Lev, et al., 2011; Orlitzky, et al., 2003). Due to this reputational effect firms would benefit from understanding in what way reputation could support their strategic intent (Biehal & Sheinin, 2007).

If a firm commits some positive act in course of their normal business activities, then the outcome of these activities can be enhanced if the firm also undertakes CSR (for example McDonald's financial contributions to children's hospitals). This is mostly achieved through improved brand perception from customers (Gadenne, et al., 2009; Hill, et al., 2007). In situations where a firm is not yet recognized for some particular deed, then it is said that all advertising regarding CSR purpose enhance a firms brand recognition and spills over into other areas (Hill, et al., 2007). For example firms' that carry environmentally improved products or engage in cause-related marketing are subject to create CSR associations that enhances their product or brand perception from their customers (Hill, et al., 2007; Orlitzky, et al., 2003).

In the event of negative actions that violate the corporate integrity or image, aggregated CSR based moral capital helps to protect the firm and makes it possible to detach the problem

(for example an unethical behaviour, an illegitimate action or an accident) from the rest of the organization, allowing management to react to stakeholder suspicion. In this way the problem can be dealt with on a process-, departmental- or even individual level without deleteriously harming the whole company thus counterweighing and decreasing negative effects. The accumulated moral capital can protect a firm from negative effects (Luo & Bhattacharya, 2009). Such moral capital (reputation) can further lower the risk of opposition from the owners. When a firm is able to demonstrate that it can address both the needs of its stakeholders and profitability targets, the firms legitimacy and reputation are enhanced (Carroll & Shabana, 2010). It is for these reasons important to investigate both how (design) and when (timing) CSR is communicated.

2.4.1 CSR Communication - Timing

CSR communication is an important component to successfully achieve strategic CSR intentions and a vital part of CSR activities (McWilliams & Siegel, 2011). Research also suggests that some communication approaches are preferred over others. While a pre-emptive (proactive) approach is viewed as preferable (Wagner, et al., 2009b), there appears to be no one best approach of communication behaviour to carry CSR messages (Ziek, 2009). However, to avoid CSR related market communication becoming counterproductive, firms that already act in a responsible way should support their behaviour with information (Wagner, et al., 2009b). Contrary, if a firm performs some unfavourable act in the marketplace and consumers, customers or other stakeholders become aware of the fact, then firms should immediately (reactively) communicate the wrongdoing, why it happened and what they will do to mitigate and rectify it (Wagner, et al., 2009b). As pre-emptive communication strategies can reduce perceived firm insincerity, external CSR communication should follow observed behaviour in a reactive yet pre-emptive way (Wagner, et al., 2009b).

2.4.2 CSR Communication - Design

To create and nurture credibility and reputational effects, CSR communication should include both ‘hard and soft issues’. Social policies, programs and organizational structures are considered ‘hard issues’, while organizational culture and employee values and norms are considered ‘soft issues’ (Orlitzky, et al., 2003). Hence, CSR communication should be holistic (Carroll & Shabana, 2010; Wagner, et al., 2009b). This is important as firms engage with stakeholders in their market environment (customers and suppliers) through economic transactions, and with their nonmarket environment stakeholders (regulators, environmental organizations, unions) by addressing social or political issues (Baron, 1995).

Those with close market ties (usually employees working in sales, marketing, procurement, logistics or customer service) are thus often the first to hear and learn about market concerns regarding, for example, environmental practices and other CSR related concerns (Lam, et al., 2010). A positive stakeholder interaction can in this way be nurtured by staff and TMT interactions with both their employees in above mentioned positions and their customers (Delmas & Toffel, 2008). TMT engagement is important as credibility derived from CSR communication can be leveraged across a firm's brands. Market reactions can also be enhanced by increasing market intensity (advertising expenditures) to positively affect firm performance (Luo & Bhattacharya, 2009; McWilliams & Siegel, 2001a). This further translates into a positive relationship between diversification, market communication and CSR (McWilliams & Siegel, 2001a; Noha, 2009).

In summary, CSR communication must be properly timed and designed and viewed as a concept since firms investing in CSR can create market based intangible assets. This can be achieved in form of brand and customer loyalty (Luo & Bhattacharya, 2009), reputational capital (Fombrun, 2000), improved sales performance (Wieseke, et al., 2009) and stakeholder organizational identification (Murray & Montanari, 1986).

Other positive effects arise from credibility (moral capital) leverage. As CSR creates a reputation of reliability and honesty, customers then assume and accredit that the products of a reliable and honest firm is also of high quality (Barnett, 2007; Russo & Fouts, 1997) which optimally allow a price premium (McWilliams & Siegel, 2001a). However, research on how to measure the direct effects of CSR investments is lacking. In general, CSR is an important part of a firm’s identity and integrity (Maak, 2008) which are important to communicate internally and externally (Du, Sen, & Bhattacharya, 2008).

2.4.3 Internal CSR Communication

Since both positive and negative firm behaviour affect external stakeholders (for example customers) they also directly affect internal stakeholders (for example owners, managers and employees). This makes internal marketing an important issue as well (Wieseke, et al., 2009). Internal marketing instils organizational identification (DeTienne, et al., 2012) and a feeling of oneness (organizational belonging) with the firm (Murray & Montanari, 1986). This can be beneficial to firms and their employees (DeTienne, et al., 2012).

Employees with direct customer interactions can improve their sales performance when the organizational identification is enhanced (Barnett, 2007; Lam, et al., 2010; Wieseke, et al., 2009). This indicates that internal marketing is fundamental to extract value from external CSR communication that has been positively embraced by stakeholders at large (Gummesson, 1987; Murray & Montanari, 1986; Wieseke, et al., 2009). A well-crafted communication strategy in the field of CSR thus holds the power to increase

interdependencies between internal and external stakeholders and can enhance existing relationships. As an example, employees can feel that their daily tasks are strengthened and supported by CSR activities making them feel more secure in their job roles, performing them better and increase service levels for the benefit of their customers (Kotler & Lee, 2005; Porter, 2008; Porter & Kramer, 2006).

2.4.4 External CSR Communication

Firms that undertake CSR activities with a strategic intent (intention to gain) should initiate a respectful and honest communication with their customers (Noland & Phillips, 2010). This as the relationship firms' have with their customers makes up the markets in which they exist to conduct business in (Noland & Phillips, 2010). Thus, the communication of CSR must be efficient just like any other market communication (Du, et al., 2010). The key questions are what to communicate and how to communicate a firm's CSR efforts without being perceived as solely self-serving (Du, et al., 2010). The risk when planned sub optimally is that communication of CSR might not benefit the communicating organization but instead risk scepticism and cynicism among their customers (Lindgreen & Swaen, 2010) and amongst investors (Ramchander, et al., 2012) defeating the communication purpose. A communication strategy for CSR thus plays a pivotal role and affects the attitudes towards a firm (Wagner, et al., 2009b). It is therefore suggested that communication of CSR is performed in line with the customers' expectations as they already are part of everyday market communication (Sweeney & Coughlan, 2008).

Specifically, as CSR holds the potential to entice all stakeholders in form of improved firm level credibility, reputation and integrity (Biehal & Sheinin, 2007; Maak, 2008) CSR becomes an important component of the firm identity (Du, et al., 2010). It is recommended that responsible firms should support their behaviour with information (Wagner, et al., 2009b). This makes CSR an issue that not only benefits from intensive communication but requires it (Hill, et al., 2007). Communicated correctly, CSR communication has the capability to support a firm's objectives (Kang, 2009; Lopez, et al., 2007; Luo & Bhattacharya, 2009).

One of the core tasks is thus to ensure that both customers and the market notice and understand the communicated CSR information (Du, et al., 2010; Gadenne, et al., 2009). It is therefore important to allocate sufficient resources to achieve the firm's communication objectives. This can be achieved by increasing the market intensity (advertising expenditures) or use a range of communication tools (KPMG, 2011; McWilliams & Siegel, 2011). When CSR activities are communicated and understood, it can act as an insurance-like protection which yields moral capital from the enhanced credibility and reputation (Barnett, 2007; Luo & Bhattacharya, 2009; McWilliams & Siegel, 2001a).

2.5 CSR and Firm Performance

Opponents to CSR claim CSR to be outside the shareholders best interest and that the only social responsibility a firm has is to maximize profit for its owners (Friedman, 1970). Despite that the core arguments against CSR are decades old and challenged as incorrect (Drucker, 1984), opponents continue to repeat the view that firms should not engage in CSR due to uncertain financial effects or a potential distraction from firms business focus (KPMG, 2011; Wood, 2010). One area that the opponents and proponents agree upon is that profit arises from successful interactions with their primary market stakeholder – their customers. However, CSR proponents both address the economic argument and lack of business focus with empirical evidence, by arguing that immediate impact should not be sought (Carroll & Shabana, 2010) as reputation just like branding takes considerable time to create and achieve yet be valuable to the firm. Research suggests that CSR instead should be viewed in a broader, holistic and long term perspective covering more than financial performance (Carroll & Shabana, 2010; KPMG, 2011).

It is suggested that while a direct financial performance enhancement is definitively possible (Ramchander, et al., 2012), CSR related performance can be unclear yet provide positive financial results (Orlitzky, et al., 2003). The holistic management philosophy behind CSR recognizes the existence of societal interdependency that provides direct and indirect relationships with firm performance (Carroll & Shabana, 2010). Hence, CSR can yield direct- and indirect enhancements of performance financial or otherwise (Lev, et al., 2011) through integration of market- and non-market strategies (Baron, 1995).

Although researchers have found both positive, negative or neutral impact from CSR on firm performance (Orlitzky, et al., 2003), the common view today is that empirical findings support it to be positive (Hill, et al., 2007; Hull & Rothenberg, 2008; McWilliams & Siegel, 2000; Orlitzky, et al., 2003; Wood, 2010). The literature further discuss causality and focus on whether CSR leads to improved firm performance (mainly addressed in financial terms) or if strong firm performance leads to increased levels of CSR. Waddock and Graves (1997) claim the existence of a causal link yet discuss potential bi-directionality. Their conclusion is that while CSR leads to improved firm performance, strong firm performance can also generate more CSR engagement where slack resources are available. Empirically, they conclude that firm performance, among other managerial practices and outcomes thereof, also depends on CSR. Caring for the social arena (and its stakeholders) can be linked to good managerial practice. Thus, with CSR being a market located social behaviour it acts as a contributor to firm performance. Hull and Rothenberg (2008) agree that while the relationship between CSR and firm performance is complex, their model also displayed empirical support and internal consistency for the relationship. Thus, Hull and Rothenberg support the initial conclusions of Waddock and Graves (1997) that CSR is beneficial and is causal to improved financial performance.

However, the relationship between CSR and firm performance is not always directly favourable as CSR brings added costs and mostly evolve around intangible asset creation like brand image and reputation (Carroll & Shabana, 2010), and is therefore difficult to isolate using common evaluation and accounting techniques (Semenova, et al., 2008). Despite potential measurement problems, it is claimed that a firm's market value can be increased by addressing the various needs of stakeholders (Luo & Bhattacharya, 2009). Overall, CSR has been found positive to firm performance when measured quantitatively as Return-on-Assets (ROA), Operating Profit (Harjoto, 2008; Orlitzky, et al., 2003; Walls, et al., 2012; Wood, 2010), Tobin's Q (Semenova, et al., 2008) and Return-on-Equity (ROE) and Return-on-Sales (ROS) (Waddock et al., 1997). Qualitative firm performance measurements (assessing upper management's views of performance) in terms of ROA, operating profit, sales growth and market share is also well established (Ellis, 2010). Regardless of the interest for firm performance, researchers now recommend to leave the firm performance domain and focus on other CSR components and research questions (Carroll & Shabana, 2010; Wood, 2010).

Apart from the empirical support that CSR provide overall positive financial performance (Orlitzky, et al., 2003; Wood, 2010), CSR also has a positive influence on non-financial performance, for example via reduced idiosyncratic (firm specific) risk (Luo & Bhattacharya, 2009). Even though it is difficult to measure, CSR can thus yield positive indirect financial performance. Firms that deploy CSR can achieve market based intangible assets such as brand image, employee courage and willingness to increase customer service, reputational capital and stakeholders corporate-liking, which in turn has a positive impact on customer loyalty and stability of cash flows (Fombrun, 2000; Lev, et al., 2011; Luo & Bhattacharya, 2009; McWilliams & Siegel, 2011). As a result CSR has a reduction effect of firm uncertainty regarding future earnings and consequently improved possibility for the expected cash-flows to emerge (Luo & Bhattacharya, 2009). This way, CSR can be said to assist long-term stock performance and be in the best interest of the shareholders (Luo & Bhattacharya, 2009). In contrast, Peloza (2006) claim that firms with poor CSR reputation, or poor CSR integration, can decrease their market value and even be hit harder in economic downturns (greater stock market decline) than firms with positive CSR reputation (Peloza, 2006).

Orlitzky's (2003) meta-analysis of 52 previous CSR studies covering 33,878 observations, ranked CSR benefits on firm performance and found that reputational (credibility) effects had the highest impact followed by social audits; managerial values and attitudes and CSR disclosure in that order. Primary data (managerial views) are suggested to be beneficial and support CSR assessments (Mulyanegara, 2010). An additional way to measure, and enhance quantitative measurement of firm performance, is therefore to assess upper management views on firm performance (Ellis, 2010). The above mentioned benefits has also been labelled as a form of insurance (Luo & Bhattacharya, 2009) against punishment from the market in case of sub optimal ethical behaviour.

One example of such insurance against market punishment occurred in 2008. The telecom giant Telenor was directly affected by events at their subsidiary Grameenphone in Bangladesh. A sub-contractor to Grameenphone, who galvanized telecommunication masts, severely disregarded contractual workers health and safety regulations around the highly acidic galvanization pools. The negligence regarding safety equipment resulted in several fatal accidents which Telenor was blamed for by European media due to their part in the operations. As Telenor had an extensive CSR reputation they were able to maintain innocence and allowed to rectify the situation (Isaksson, 2008; SVD, 2008).

While a majority of firms around the world might be unable, or unwilling, to commit the resources needed to replicate the positive outcomes of high performers best practices, it is generally not recommended to ignore CSR (Semenova, et al., 2008). Some firms only meet regulatory environmental demands while others go 'all in' (Porter, 2008).

One European firm that often is used as a cross-industry benchmark is the Scandinavian based energy company Fortum (2011 sales €6.16 billion, operating profit €2.42 billion) who is fully committed to CSR in form of green strategies. Being one of the first companies that hired a Corporate Vice President (VP) for Sustainability, Fortum is strongly committed to be permeated by CSR as a corporation (Kuula, 2009). Fortum is also internationally recognized for their efforts with nine consecutive inclusions in the annual Dow Jones Sustainability Index honoured as one of the best utilities in the world for its approach to climate change disclosure. Fortum are further ranked as the most responsible energy company and 'Best in Class' among companies listed in the Morgan Stanley Capital International World Index (Kuula, 2009). Overall, it's reported that managers can afford to be socially responsible, even though direct financial impact sometimes is difficult to prove, as market forces generally do not penalize firms that are active in CSR (Orlitzky, et al., 2003).

2.6 Chapter Summary

This chapter assessed the logic behind firms' choices to engage in CSR. The different potential outcome of applying CSR was discussed and compared to firms' intentions to gain from doing so. We further explored the related Market Orientation theory. These perspectives displayed that CSR is increasingly popular at the macro level, the industry level and at the firm level. The result is that CSR evolves from being a 'good-will' concept into becoming a strategic component of central importance to firm level success. Thus, firms now view the concept to be an important long-term investment that can lead to competitive advantages. It is now said that today's market place forces firms to apply a holistic market mindset to address more complex interactions with multiple stakeholders.

We also analysed the Market Orientation theory from a strategic management perspective. It is argued that firms are a nexus of explicit and implicit contracts between firms and various stakeholders, for example customers and employees. This translates into that the

success of a company depends on its ability to manage all relationships and communicate its value intentions. Hence, we focus on customers in this research. The above findings complement previous research focusing solely on financial performance by taking a broader view of CSR by investigating external- and internal orientation. The following Chapter theoretically builds from this literature review to develop our hypotheses and model.

In conclusion, we find CSR a widely accepted concept and viewed as a key determinant of a firm's direct and indirect performance and reputation. It is recommended that firms apply a mindset of meeting the modern business complexity with a holistic market approach. Hence, CSR is now a strategic management component of central importance to firm level success and a potential vital additive to of a firm's strategy, for example to increase brand loyalty or reputation.

3.0 Overview

The literature review suggests that there are several important aspects when researching CSR. In contrast to previous research this research attempts to address a defined set of focus areas. This paper will research CSR from a Market Orientation (MO) perspective and use primary data instead of secondary data which have been the preferred data collection source. This entails using quantitative research focusing on Swedish firms.

The intention of this research is to focus on CSR with a strategic intent, i.e. situations and contexts where firms undertake strategic CSR in order to positively influence some societal conditions while simultaneously gaining some benefit for the firm, either direct or indirect. It is suggested by previous research that TMT's must apply a broader view and acknowledge that firms today have more obligations to a larger group of stakeholders. Thus, it is recommended to focus on the wants and needs of a firm's customers in extension to the normal scope of its business (the exchange process of products and services). Since the purpose of both CSR and the MO theory is to achieve firm level benefits by focusing on the customers' needs and wants, the combination of the two is an efficient approach to accomplish these objectives.

The combination of the two concepts should be of value to practitioners (business managers). The previous sections also discussed the increasing popularity of CSR and that CSR can yield competitive advantages. It further discussed the intercept between MO and CSR where CSR has evolved from being a 'good-will' concept into becoming a strategic component similar to that of the MO theory.

This section presents our model concerning both the components affecting CSR and how CSR potentially affect firm performance. This section will further discuss a set of qualitative issues to provide a background for the model (internal and external orientation, CSR communication, managerial views on performance, reputation, intangible asset creation and indirect performance, and the role of TMT in CSR decision making). As described in chapter two, this research will address the external- and internal orientation of firms, how these orientations impact CSR, and how CSR relates to firm performance.

The first part of our research model addresses external and internal orientation. External orientation assesses customer interaction, customer orientation and market orientation relating to CSR. Internal orientation assesses firm level characteristics such as strategic orientation, strategic CSR intentions, operative CSR management, the presence of industrial standards and the timing and design of CSR communication in relation to CSR. The second part of the model assesses whether the first part of the model and the level of CSR (rank) relates to firm level performance indicators (assessed by primary and secondary data).

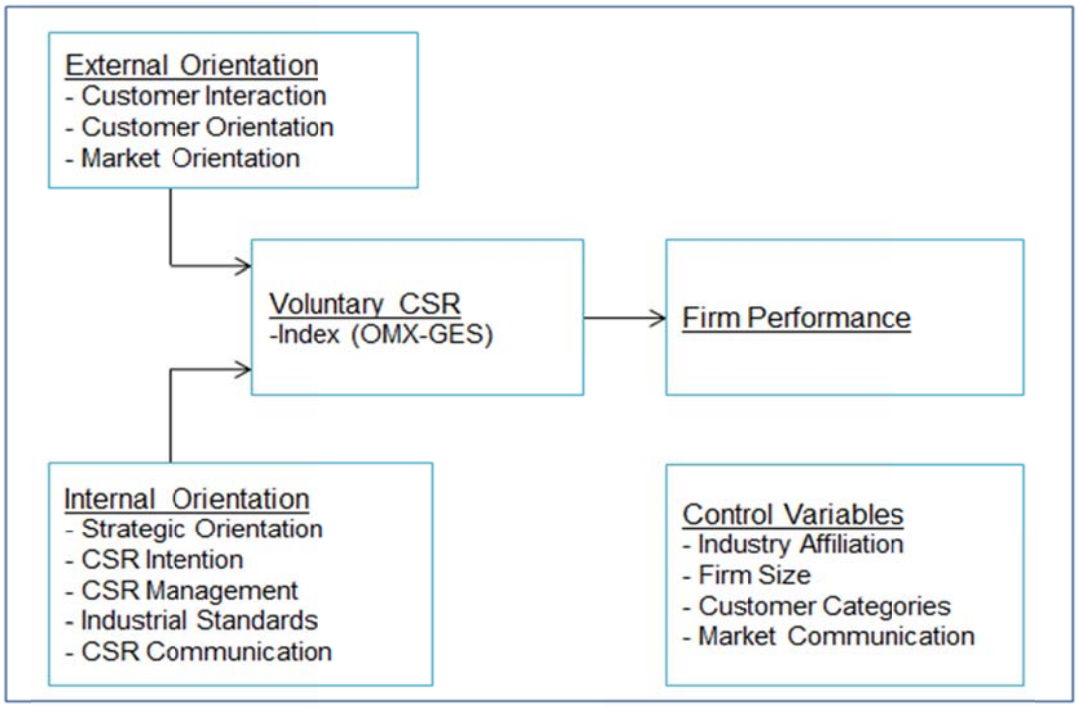

Figure 2: Schematic model of the CSR research.

A selection of control variables (industry affiliation, firm size, customer categories and market communication) was included in the model in response to previous research recommendations. While industry affiliation is considered specifically important to control for in CSR research (CSR can for example be more common in the food or pharmaceutical industries), firm size is a generic control variable in business research. Also, since CSR differ across industries their customers will differ too. While some industries only have consumer customers (B2C) and other industries only have business customers (B2B) or government customers (B2G), other industries typically have combinations thereof. Hence, controlling for customer categories is an important part of CSR related research. In addition, recent research recommends assessing the market intensity in a particular industry when firm performance is included in CSR research. The control variables are described in detail in chapter four.

Optimally, the model will also predict how these external- and internal orientation characteristics affect CSR and firm performance. In turn, positive predictive results would improve practitioners understanding of CSR and investors screening abilities of suitable investment targets. That is, how target firms are structured indicating improved CSR derived benefits.

3.1 Qualitative Pre-Research

Based upon our literature review we engaged in a series of qualitative interviews to validate our findings and expectations to set the foundation for our quantitative research. This exploratory pre-research was accomplished by performing six in-depth interviews. The target respondents were executive CSR-managers in industry leading Swedish MNE's. The industries represented were the pharmaceutical, telecommunication, ICT, cosmetics, industrial equipment and mining. These interviews provided primary data valuable for constructing our research questions and questionnaire. In this way, we followed the advice to use multiple sources to increase the overall research quality and robustness (Bansal & Roth, 2000) and to enhance academics and practitioners understanding of CSR.

Apart from verifying previous research findings, the interviews also yielded insight into CSR decision making, the TMT's role and managerial perceptions of reputation, intangible asset creation, and indirect financial performance. We enquired about implementation and integration efforts and how CSR was communicated, and addressed whether specific strategic reasons (as opposed to ethical reasons) were behind the responding firm's decision to engage in CSR. Potential outcomes from firms' CSR efforts were also investigated. This way, we gained insight whether previous research claims held for our Swedish research context and got acquainted with the Swedish CSR-managers way of reasoning. Overall, our qualitative investigation confirmed our expectations from the literature review. The next section (section 3.1.1) contains our qualitative pre- and post-research discussion.

3.1.1 Qualitative Data Collection

A series of qualitative interviews were conducted to validate the findings from the literature review to act as the foundation for our quantitative research and to increase the overall quality and robustness of our research. This pre-research was accomplished by performing in-depth interviews. The target respondents were executive CSR-managers in industry leading multi-national Swedish enterprises. The interviews were designed to be exploratory in nature to extract firm specific views of CSR. The interviewed firms were all listed on the Stockholm stock exchange and represented on the Index.

Six interviews were completed representing the pharmaceutical-, telecommunication-, ICT-, cosmetics-, industrial equipment-, and mining industries. Five interviews were conducted over telephone during February to May 2011 while one interview were performed in person at the '10th Annual Responsible Business Summit' the 3rd of May 2011 (London, UK). Each interview lasted approximately forty-five minutes to one hour.

We investigated the aspects of, and the strategic reasons behind, CSR efforts to collect a broader range of preliminary data across different industries. We also investigated

the alignment between CSR and firm objectives. The interviews further yielded insight into CSR decision making, the TMT's role and managerial perceptions of reputation, intangible asset creation, and indirect financial performance. We then enquired about implementation and integration efforts and how CSR was communicated.

The interviews led to the main research questions (why firms voluntarily engage in CSR; what the outcomes (performance) of CSR are for those firms who engage in it; how firms implement their CSR activities (making them operative) and how CSR activities and outcomes are communicated).

The interviews and transcripts were made in Swedish with the key findings translated into English. The complete interviews and digital audio tapes are confidential to protect respondent integrity, name of participating firm and views expressed by the responding executive manager.

The core similarities between the responses were found in that they all firmly believed CSR to be important or even vital to their long term success. They also focused more on the CSR concept itself (to do 'something') than the actual deliverables ('what' they do) driven by some specific strategic gain for their company. Further, they all found CSR to be difficult to measure in terms of direct ROI. These similarities were in line with the literature review findings.

Regarding differences among the respondents, we found that two-thirds of the respondents took a decentralized view of CSR management and delegated the accountability to the regional- or business area managers. When we probed into this difference further, we found that these firms viewed CSR to be like any other management discipline, and that they were more organic (organizations that are decentralized, flat, informal and with low level of specialization) in their organizational design and corporate culture. These were the major reasons why they opted to empower their regional- or business area managers with the decision of CSR deliverables (what initiatives to engage in).

The remaining respondents (one-third) assumed a centralized view of CSR management and maintained top management responsibility and accountability for the deliverables (the specific initiatives). These firms' perceived CSR to be special and unlike other management disciplines. They also viewed CSR as a strategic business enabler too important to delegate and in need of executive supervision. These firms' were further more scientifically oriented and considerably more mechanistic (organizations that are centralized, hierarchical, bureaucratic and with high levels of specialization) in their organizational design and corporate culture than those firms who were more decentralized. These findings regarding similarities and differences among the interview respondents were also in line with the literature review findings.

3.2 CSR and External Orientation

The management of stakeholder relationships is, as discussed in chapter two (section 2.3), important (Cousins & Stanwix, 2001; Dyer & Chu, 2003). Relationship management also provides critical control factors such as interaction structures, failure correction and conflict management. It also influences a cooperative culture and the selection of firm level characteristics (Ring & Vandeven, 1992). Such relationships are stronger and more overt among the customers and suppliers (Gummesson, 1987). It is generally stated that firms' that have a stronger external orientation and actively monitor and manage their customers, also allocate more resources (to satisfy their needs and wants) to attract and keep them (Harrison, et al., 2010).

Firms with strong and specific modes of customer interaction (for example frequent or scheduled meetings), or specific modes of customer orientation (for example deploying problem solving approaches to customer needs or surveying future market needs), should thus generally be, or become, more interested in investing in CSR. Examples of such specific modes of interaction can be direct cooperation, alliances, intra-departmental interactions or customer joint projects (Delmas & Toffel, 2008; Ellis, 2010; Lam, et al., 2010; Peloza, 2006).

Further, firms with specific modes of MO (for example whether firms monitor their competitors or whether their business strategies are value creation oriented) are also likely to become more interested in investing in CSR. Thus, firms that undertake CSR are likely to have formal structured interactions with their customers for specific reasons and to be more market oriented.

The arguments regarding customer relationships as displayed in the literature review leads to our first set of hypotheses;

H1: There is a positive relationship between CSR and the degree of Customer Interaction.

H2: There is a positive relationship between CSR and the degree of Customer Orientation.

H3: There is a positive relationship between CSR and the degree of Market Orientation.

In summary we conclude that the cumulative hypotheses for External Orientation (H1; H2 and H3) will also relate positively to CSR. We therefore hypothesize the following relationship for our research context;

Hi: There's a positive relationship between External Orientation and CSR.

3.3 CSR and Internal Orientation

In today's global marketplace, research suggests that firms' should assume a strategic management approach towards CSR (Carroll & Shabana, 2010; Kelly, 2009; Luo & Bhattacharya, 2009; Porter & Kramer, 2006) and to ensure that it becomes a part of the 'corporate DNA' (Lindgreen & Swaen, 2010). That is, firms' should integrate their CSR activities with their corporate culture and strategy. Firms interested in applying CSR can then plan how to extract value from it (strategic intent) and how to make it an omnipresent part of the firm (integration) (Porter & Kramer, 2006). In turn this can enhance CSR efforts through formalized organizational structures (Berkhout & Rowlands, 2007).

Examples of strategic intent are whether firms engaging in CSR do so to reduce costs or risks or to build reputation or create other competitive advantages. While various approaches can be chosen, it can result in the creation of certain new characteristics regarding procedures or organizational positions that will affect most, if not every, department of a firm (Maak, 2008). One of our intentions is therefore to identify and research internal orientation to contribute to the CSR research field. The investigation of strategic orientation and strategic CSR intent leads to our next hypotheses;

H4: There is a positive relationship between CSR and the degree of Strategic Orientation.

H5: There is a positive relationship between CSR and Strategic CSR Intent.

Since the type of coordination of CSR activities is an important issue, firms are recommended to decide whether organizational design or empowerment of internal interest groups (managerial choice) should hold the decision authority for CSR. An example of organizational design is where a dedicated formal or informal position is responsible for CSR activities. It could also be whether an organizational design is mechanistic (more centralized, hierarchical and bureaucratic) or organic, hence more decentralized, flat and informal (Burns, 1961). An example of empowerment is whether CSR decisions are taken at the corporate level (by the owners, the board or the CEO), or at the business level by a CSR-manager or some other manager (for example a marketing manager).

CSR activities at the business level could be performed by the TMT (Baron, 1995), by a committee or a generic position (where for example some other manager have been mandated

to expand their managerial responsibility to include CSR) or in form of a specific CSR-manager position appointed by the TMT.

In the case of environmentally driven CSR (i.e. implementation of waste reduction programs), past research supports that decision making occurs in formalized organizational structures (Berkhout & Rowlands, 2007), while decision making regarding non-environmental activities can occur either by organizational design or by managerial choice (Leire & Mont, 2010). Examples of non-environmental activities are workplace amenities, non-animal testing procedures, and support of local businesses or embodying products with social attributes or characteristics (McWilliams & Siegel, 2001a). To deliver optimal results, these should be performed either by organizational design or managerial choice i.e. by being part of TMT (Lam, et al., 2010; Leire & Mont, 2010) or company Board agendas (Berkhout & Rowlands, 2007; Carroll & Shabana, 2010).

Other characteristics such as customer focus and intra-firm cooperation are also examples where organizational objectives and procedures (Bansal & Roth, 2000) are addressed by TMT's or company Boards. In summary, CSR needs to be managed, communicated and integrated correctly to generate positive results, financial and otherwise (Orlitzky, et al., 2003; Peloza, 2006; Porter & Kramer, 2006; Hill, et al., 2008). The discussion regarding internal orientation evolving around operational management, structural design, coordinating functions and frameworks lead to our next hypothesis;

H6: There is a positive relationship between CSR and Operative CSR Management.

The presence of an environmental standard (e.g. the ISO14001) is also said to affect how firms and customers exchange CSR related information (Cheng, 2008; Delmas & Toffel, 2008; Gadenne, et al., 2009). It is further suggested that other general standards such as quality monitoring (ISO9001) can affect firm level CSR. Implementation of the new industrial CSR standard (ISO26000) should tautologically also affect firm level CSR. Hence;

H7: There is a positive relationship between CSR and the presence of Industrial Standards (ISO9000, ISO14000 and ISO26000).

3.4 CSR and Market Communication

One of the important tasks for firms undertaking CSR is to communicate their efforts to the marketplace and signal what type of stakeholder relationship they strive for (Biehal & Sheinin, 2007; Freeman, et al., 2004; Noha, 2009; Noland & Phillips, 2010). This must be communicated internally and externally (Du, et al., 2008). If communication fails and, or, the CSR agenda is unclear or misaligned with stakeholders expectations, firms might be punished instead of rewarded (Carroll & Shabana, 2010; Neilsen & Rao, 1987).

With a multitude of available communication channels (i.e. annual reports, press-releases, advertisements, printed media, internet, twitter, Facebook, YouTube etc.) firms are advised to assess and optimize their communication effects (KPMG, 2011) regarding CSR prior to market launch of CSR activities. For instance, internet based communication seem to provide better support for large and, or, highly profitable firms (Tagesson, Blank, Broberg, & Collin, 2009).

Firms should also assess what communication responses to apply in the event of potential negative market reactions as pre-emptive communication strategies can reduce perceived firm insincerity. Thus, external CSR communication should follow observed behaviour in a reactive yet pre-emptive way (Wagner, et al., 2009b). Research further points out that press-releases or similar media containing firm level CSR information are likely to transfer (spill over) to all product groups thus positively impact overall brand value (Biehal & Sheinin, 2007; Noha, 2009). Therefore, the type of communication media is important to include when researching CSR.

Since firms could better support their objectives by extending their normal market communication to a more holistic approach (Noha, 2009; Olson, 2008), it is worthwhile to pursue CSR communication in a strategic fashion (section 2.5) as this can mitigate potential market and financial risks by creating credibility (Gadenne, et al., 2009; McWilliams & Siegel, 2001a; Orlitzky, et al., 2003). Such credibility effects (moral capital) arise through CSR derived firm integrity which in turn acts as an extension of branding efforts (Gadenne, et al., 2009) and increases the perceived quality of the firm in general (Russo & Fouts, 1997). In addition it provides moral capital from relational factors, for example brand faith (from the market place); credibility (among customers); goal commitment (among employees); goal trust (among suppliers and partners); legitimacy (among communities and legislators) and attractiveness for investors and market analytics (Luo & Bhattacharya, 2009; Varadarajan & Menon, 1988). Hence, CSR can be an important component of the firm identity and integrity (Maak, 2008) both of which are important to communicate internally and externally (Du, et al., 2008).

CSR communication can further create trust and legitimacy when firms are believed to operate consistently with social norms and expectations. This can in turn lead to price premium effects and increased quality perceptions (Carroll & Shabana, 2010). These positive customer and market reactions derived from CSR activities are further enhanced by increased market communication (McWilliams & Siegel, 2001a; Walls, et al., 2012). Again, CSR

communication should be strategically planned as it affects customer attitudes toward firms (Carroll & Shabana, 2010; Wagner, et al., 2009b). In summary, previous research claim that both the structure (design) and the timing of CSR related information is important parts of strategically planned CSR communication. Hence, the relationships between CSR and market communication form our next hypotheses:

H8a: There is a positive relationship between CSR and CSR Communication (timing).

H8b: There is a positive relationship between CSR and CSR Communication (design).

We therefore conclude our expectations and hypothesize that the cumulative hypotheses for Internal Orientation (H4; H5; H6; H7; H8a and H8b) will relate positively to CSR for our research context;

Hii: There's a positive relationship between Internal Orientation and CSR.

3.5 CSR and Firm Performance

Orlitzky's (2003) meta-analysis of secondary data found that CSR and firm performance are significantly positively correlated (Orlitzky, et al., 2003). Harjoto (2008) and Wood (2010) support Orlitzky's findings by concluding that planned CSR efforts can yield a positive effect on performance measured as Return-on-Assets (ROA) and operating profit (Harjoto, 2008; Orlitzky, et al., 2003; Wood, 2010).

Since CSR is considered to be a tacit concept, one should expect to some extent that the results in general can be difficult to measure or establish in every research context (Semenova, et al., 2008). We will therefore first assess managerial views on performance in accordance to the suggestions made by Ellis (2010) with the expectation that Firm Performance will be positively related to CSR as displayed by the Index ranking. We will then compare the primary performance with the secondary performance (data from annual reports). By triangulating (gathering data through several sampling strategies) the performance measures it potentially leads to increased research robustness. Hence, for this research context, we hypothesize that;

Hiii: There's a positive relationship between Firm Performance and CSR.

3.6 Research Model

The literature review and the hypotheses construct lead to the below research model. We will investigate the External Orientation variables and the Internal Orientation variables and their respective relationships towards the CSR Index. We will then investigate how the Index relates to the firm performance variable. We will further investigate whether the cumulative group of External Orientation variables and the cumulative group of Internal Orientation variables relates to the Index.

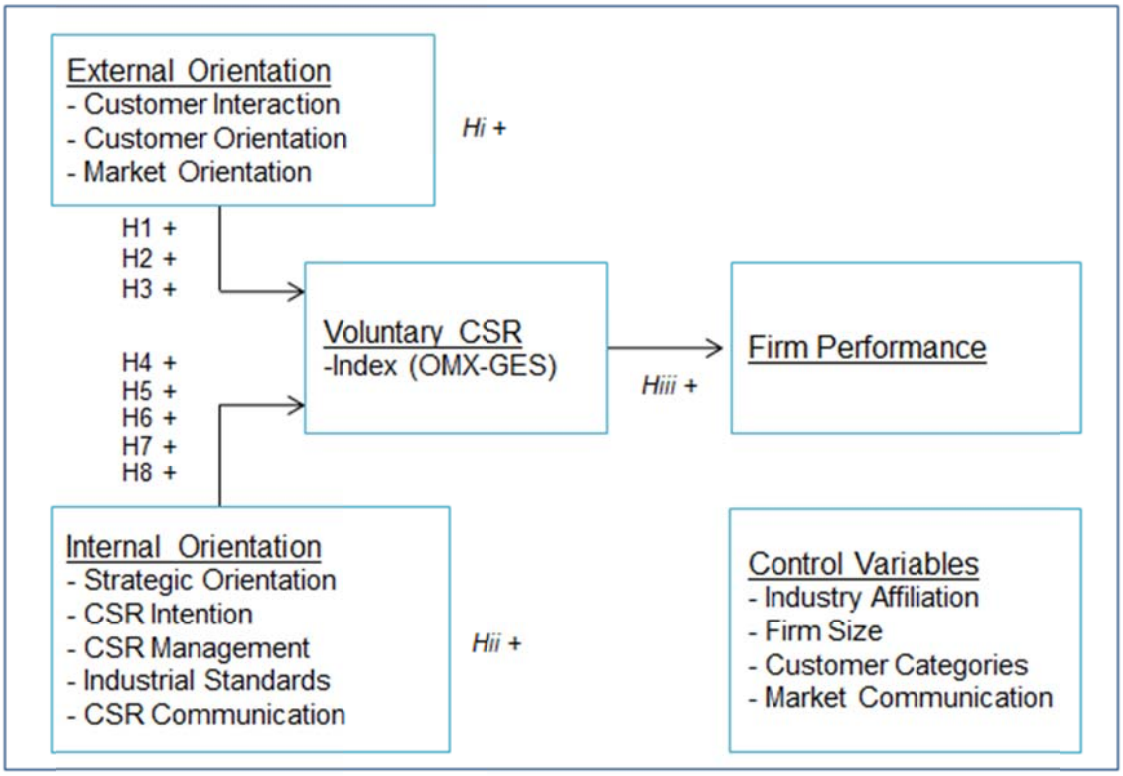

*Fig. 2: S*chematic model of the CSR research.

3.7 Hypotheses Summary

External Orientation Hypotheses:

H1: There is a positive relationship between CSR and the degree of Customer Interaction.

H2: There is a positive relationship between CSR and the degree of Customer Orientation.

H3: There is a positive relationship between CSR and the degree of Market Orientation.

Hi: There's a positive relationship between External Orientation and CSR.

Internal Orientation Hypotheses:

H4: There is a positive relationship between CSR and the degree of Strategic Orientation.

H5: There is a positive relationship between CSR and Strategic CSR Intent.

H6: There is a positive relationship between CSR and Operative CSR Management.

H7: There is a positive relationship between CSR and the presence of Industrial Standards (i.e. ISO9000, ISO14000 and ISO26000).

H8a: There is a positive relationship between CSR and CSR Communication (timing).

H8b: There is a positive relationship between CSR and CSR Communication (design).

Hii: There's a positive relationship between Internal Orientation and CSR.

Firm Performance Hypothesis:

Hiii: There's a positive relationship between Firm Performance and CSR.

3.8 Chapter Summary

An important research question that researchers continue to explore is how firms interact with their stakeholders in general and in relation to CSR specifically. This research focuses on the structure of relationships (external orientation and types of interactions) firms' have with their primary market stakeholder (their customers) and how internal orientation (a set of firm level characteristics) affects CSR (for example via the presence of a CSR manager, CSR related strategic intent or structured market communication). We will also investigate how CSR relates to firm performance.

CSR is today largely an accepted component of everyday corporate life and can be found in any region and industry. As the empirical findings support overall positive firm performance (financial and non-financial), CSR is recommended to be viewed in a broad, holistic and long term perspective. As it is a tacit concept it makes direct results difficult to measure in every research situation and context. This makes CSR a strategic tool that needs to be managed, integrated and communicated correctly to generate positive results, financial or otherwise. Improved results are exemplified as improved brand image, employee courage, sense of organizational belonging and willingness to increase customer service, reputational capital and stakeholders (e.g. investors) corporate-liking. This way, CSR is perceived to assist long-term stock performance thus be in the best interest of the shareholders.

CSR can however only provide benefits if it is communicated internally and externally. With a multitude of available new communication channels (i.e. blogs, flicker, twitter, YouTube etc.) it becomes increasingly difficult to design communication strategies to measure its outcomes and to decide when to communicate (timing). In order to gain from CSR firms are thus recommended to take a strategic management approach towards their CSR planning, to structure and align it with firm objectives (strategic orientation and strategic intent) and to decide when and how to communicate their CSR efforts to the market place.

Our chosen research context address Swedish firms, applies primary data, address a specific form of CSR ( ), entails a specific stakeholder category (customers) and assumes a strategic management perspective. This research approach differs from previous research where an ethical perspective has been prevalent, non-specific stakeholder categories applied and where secondary data have been used extensively. This research should therefore aid firms to better align their CSR with their objectives.

The applied model intends to illustrate how a specific stakeholder interaction (with the customer) and managerial choices in firm level characteristics (external- and internal orientation) affects CSR. The model also intends to illustrate how firm performance is affected by CSR in Swedish firms. Overall, the contribution to both academics and practitioners are found in an increased knowledge of how a set of previously ignored organizational aspects and firm characteristics regarding CSR interact and how they can affect levels of CSR and firm performance.

Chapter Four: Measures **74**

4.0 Overview:

This chapter first describes the sample, the reasons for the sample selection and how the data was collected. Second, we discuss the previously applied measures for the dependent and independent variables as deployed in the field of CSR research. We will explain each of our research variables that form the first- and the second part of our model. The first part of our model contains the External Orientation factors (Customer Interaction, Customer Orientation and Market Orientation) and Internal Orientation factors (Strategic Orientation, Strategic CSR Intent, operative CSR Management, Industrial Standards and the timing and design of CSR Communication) in relation to the comparative Index.

We will further explain the variable CSR (the 'OMX-GES Sweden Index') which is our dependent variable when assessed in relation to the External- and Internal Orientation (the first part of the model), and the independent variable when assessed in relation to the Firm Performance variable (the second part of the model). The second part of our model explains the Firm Performance variable in relation to the Index. Third, we assess the control variables Industry Affiliation, Firm Size, Customer Categories and Market Intensity. Finally, we introduce the reader to the questionnaire design.

4.1 Sample description

Since this research focuses on Swedish multinational firms, and their approach to CSR, we adopted previous researchers approach how to measure and compare CSR in general between different firms. According to journals related to this research topic (for example the Strategic Management Journal; CSR & Environmental Management Journal and the Journal of Organization Studies) several researchers (McWilliams & Siegel, 2001a; Melo & Garrido-Morgado, 2012; Orlitzky, et al., 2003; Ramchander, et al., 2012; Semenova, et al., 2008; Waddock & Graves, 1997; Walls, et al., 2012) have used an index as proxy to measure CSR levels among firms. The core reason being that a specific measurement for the CSR concept has not yet been developed (Hill, et al., 2007). The approach is to compare a firm's position on some country specific 'Social Index' with a particular research scope, for instance to compare an index ranking with the level of corporate governance (Walls, et al., 2012). The preferred proxy among CSR researchers is the MSCI KLD index (see section 4.4 CSR Index Variable). We note that this index is referred to as the KLD index in previous research. The provider of the KLD index was acquired by MSCI in 2012. The index is therefore renamed to the MSCI KLD index.

In brief, the MSCI KLD index from MSCI is a registered investment advisor providing among other investment consultancy services social research on U.S. firms to the investment community (MSCI, 2012). The MSCI KLD's data base consists of more than 1000 publicly traded firms. MSCI KLD screens each firm annually, using a variety of measures including the UNPRI framework which is the same base as the chosen index for our

research. However, the MSCI KLD rankings are only suitable (Waddock & Graves, 1997; Walls, et al., 2012) to assess CSR for research in the U.S. context. The MSCI KLD Index is explained in detail in section 4.4 below.

Since the MSCI KLD index is only suitable for CSR research in a U.S context and our research targets CSR in a Swedish context, we needed to locate a similar index to the MSCI KLD covering Swedish firms. For our research purpose we selected the 'OMX-GES Sweden Index' (from here after referred to as 'the Index') which we, as operationalized by previous researchers, compared with our research scope using both primary data (questionnaire) and secondary data collected via annual reports and websites. This Index has been used in CSR research contexts in Sweden (Semenova, et al., 2008) and is the chosen Index for our research being the only available index similar to the MSCI KLD index to our knowledge.

This Index is a high quality Top-100 index that covers one hundred MNE's from thirty-four different industries that meet the Index criteria for inclusion (see appendix 1 for participating industry categories). The firms represented on the Index have between $11.7 million USD to $33.3 billion USD in annual revenue, and between 1,217 and 281,145 employees. The level of globalization (to what extent the sample firms are multinational operating firms) is displayed in appendix 3. We find that the sampled firms have a globalization level where the distribution of sales revenue on average is: 17.59% domestic sales revenue; 46.24% European sales revenue; 19.30% American sales revenue (North-, Central- and South America combined); 11.02% Asian sales revenue and 5.34% for the combined African and Middle-East sales revenue.

The Index was constructed by NASDAQ-OMX and OMX-GES to aid investors comparing responsibility levels among firms listed and traded on the NASDAQ-OMX Stock Exchange in Stockholm Sweden and is used to assess levels of CSR among Swedish firms. While the Index is publicly available as a Top-40 Index OMX-GES provided us with the complete Top-100 Index (available for investors) for our research. In total, there are 215 firms traded on the NASDAQ-OMX Stock Exchange in Stockholm, Sweden. In turn this translates into an Index representation of 46.51% of all the listed firms traded by NASDAQ-OMX. An additional 310 firms are also traded in Sweden outside NASDAQ-OMX's operations. These are typically smaller firms in emerging industries that does not have sufficient firm level characteristics to qualify to the types of indexes of interest for research in CSR. We note that Sweden is considered to have high levels of institutional ownership which potentially affect firm level propensity to engage in CSR voluntarily (Jakobson, 2012).

As mentioned in 1.4 (Scope of Research) Sweden was selected for this research for four reasons. First, to the best knowledge of the researcher, there is no previous literature where Sweden has been researched in our research context (CSR with a strategic intent). Second, Sweden is a recognized world leader in sustainability and CSR (KPMG, 2011; Swedish-Institute, 2009; Zadek & MacGillivray, 2008). Third, Sweden has a large base of MNE's and is an innovator in CSR applications (Zadek & MacGillivray, 2008). Finally, the

market orientation–performance relationship is said to be stronger in cultures with low power-distance and low uncertainty-avoidance (Kirca, et al., 2005). In this aspect, Sweden is ranked among the top ten for lowest power distance and among the top five for lowest uncertainty avoidance according to Hofstede's cultural dimensions (Hofstede, 2010). With CSR being positive for firms we note that Sweden (on a national level) is also a leader in Intellectual Property generation (IP), Information and Communication Technologies adaptation (ICT), globalization, innovation and international competitiveness.

Similar to the MSCI KLD index, our chosen Index analyses firms' management of Environment, Social and Corporate Governance (ESG) factors based on international norms in accordance with the United Nations Principles for Responsible Investment (the UNPRI norms). The Index evaluates both the firms' preparedness (e.g. management systems) as well as performance through a number of criteria and sub-criteria. Thus, it evaluates a firm's present status and readiness for the future. The Index is today used as a foundation for short and long-term investment recommendations; as a tool for financial analysts; as a tool for best-in-class analyses or as a basis for sustainability analyses and for research in CSR. The specific ranking values per Indexed firm are displayed in Appendix 1. For integrity reasons we have removed the names of the qualifying firms from the appendices and will refer to them using their Index rank where applicable.

The data collection was carried out during May to October 2011. After receiving ethical research approval from Bond University, Australia, we contacted each firm ranked on the complete Index (N=100) separately. We personally called each firm's switchboard asking for the executive manager in charge of CSR activities. The purpose was to ask for participation in our questionnaire based research. In many cases the contact person was found on corporate websites or in annual reports. Where the switchboard operators hesitated to whom to connect us to, we asked for varying titles such as Vice President (VP) of CSR, the VP of Sustainability, the VP of Strategy or Business Development, the Chief Operating Officer (COO) or Chief Executive Officer (CEO) in that order.

Once we were connected to the right person, their actual titles varied (Head Sustainable Affairs; CSR Director; VP CSR; the Director of Public Affairs & CSR; CSR General; Global CSR Director and CSR Manager). In several firms the CEO was the one in charge of CSR matters. Firms that did not have a formal position for CSR had commonly allocated this task to managers with responsibilities for Investor Relations or Corporate Communication. Only two firms had not allocated CSR to any specific person but referred to the TMT in general. These firms' participation was handled by the respective CEO.

Once we were connected with the target respondent via telephone, we described the research, its purpose and potential gain for the business community at large and invited them to participate and to accept an email with a link to the online questionnaire while ensuring them complete anonymity. In total we managed to get 82 complete answers (N=82) for our quantitative research equalling a final response rate of 82%.

The research was explained as ”research regarding CSR (Corporate Social Responsibility) that target upper level managers to investigate connections between CSR activities, business strategies, management and performance, basically how firms can benefit from CSR and how they are structured to do so”. To reach each respondent we needed 2.4 calls on average where each phone call lasted for an average of 9 minutes. In total we made 247 calls and spent 37 hours on the phone for this initial data collection phase. We further offered to provide an executive summary in return for their cooperation once the research is completed.

In order to enable not only the respondents unique replies to the questionnaire but to connect it to the secondary data found in their annual reports or websites (for triangulation purposes), we had to enable a link between each respondent to their rank in the index. Once the data was collected and we no longer needed the specific firm name, the data or the link tying the Index position together with their answers, annual report and individual data was deleted leaving us with the aggregated result only. This was the core reason why we not only chosen to, but in practice had to contact each respondent individually, that is, to get their approval and confidence of participation. In turn it contributed to the positive response rate (82%).

Each respondent who approved to participate in the research but did not complete their questionnaire within two weeks received a follow up phone call and a reminding email. Those who did not respond after four weeks’ time received a final phone call plus an additional email reminder. After this point all contact attempts ceased. Due to vacation time in Europe (occurring between June and September) several respondents provided their responses during or after their vacation thus in many cases after we ceased attempts to reach them. Several respondents contacted the researcher directly at a later point in time to learn more about the research and its findings while asking for general advice regarding CSR applications and implementation.

All the original questions in English were translated into Swedish to increase the response rate. It was then translated back into English to verify that the translation was error free. The questionnaire was then divided into three parts. The first part was an introduction section covering demographics (e.g. age, current position and level of education). The second, and core part, had three sub-sections containing compulsory questions regarding the respondent’s firm’s external- and internal orientation and their set-up regarding CSR, while the third part contained questions for those respondents willing to contribute with more information. These complementing questions covered for example the level of centralization, market pressure or future orientation. We selected this approach to make the questionnaire seem less time consuming and to ensure that data was collected for the core questions.

The questionnaires introduction part had seven questions requesting a ‘tick-the-box’ reply. The second, and core part, contained sixty-two compulsory questions. Fifty-eight of these questions requested a reply on a seven-point Likert scale (1 = Strongly Disagree, and 7

= Strongly Agree) and four questions requested a 'yes' or 'no' response. The third part had twenty-five questions whereof twenty-three questions requested a reply on a seven-point Likert scale (1 = Strongly Disagree, and 7 = Strongly Agree) and two questions requested a 'yes' or 'no' response. For details see section 4.8.

We expected that firms' awarded with a ranking on the Index would be willing to participate in this type of research. That is, firms that perceive themselves as socially responsible and sustainable, and have managerial functions for responding to related topics, should by nature to a great extent be willing to share their insight and knowledge with researchers contributing to this field. This might be one explanation to why we achieved a high response rates in combination with the time consuming but rewarding personal and individual contact approach.

Among the Top-40 firms on the Index we had only two firms that declined to participate (5.00%). These firms independently provided the same explanation: "CSR is a too hot topic. We simply do not have time other than to work with our own CSR issues". We omitted the answers of three firms (7.50%) since they were incomplete to a greater extent than research praxis (>10%). That is, they left more than 10% of the core questions unanswered. Another five firms (12.50%) had <10% answers incomplete (i.e. 3-6 questions) which were replaced with the average answer of the Top-40 respondents for each unanswered question. In total the response rate for the Top-40 section of the index was 35 of 40 firms (87.50%).

Among the Bottom-60 firms on the Index we had nine firms that did not respond (15.00%). We omitted five firms answers (8.33%) since they were incomplete to a greater extent than research praxis (>10%). That is, they left more than 10% of the core questions unanswered. Out of the Bottom-60 sample thirteen firms (32.50%) had <10% answers incomplete which were replaced by the average answer of the Bottom-60 respondents for each unanswered question. In total the response rate for the Bottom-60 section of the index was 47 of 60 firms (78.33%). In total we managed to collect complete questionnaire answers reaching a sample size of N=82 for the quantitative research component. In turn this translates to a response rate of 82.00% for the complete index.

4.2 External Orientation Variables

This section explains previously applied measures for the External Orientation factors (Customer Interaction, Customer Orientation and Market Orientation). We used a seven-point Likert scale for all scales where 1 = Strongly Disagree, and 7 = Strongly Agree. For computation purposes we labelled the cumulative external orientation variable VEO: Variable External Orientation (the combined result of the three external orientation variables).

4.2.1 Independent Variable: Customer Interaction

We applied Peloza's (Peloza & Papania, 2008) set of questions that measure the level of structured interaction with customers and suppliers. These are measured as a dummy being '1' for 'yes' and '0' for 'no'. These questions (section 4.8, questions 8-11) evolve around if firms have for example formal written procedures how to interact with the key market stakeholder (customers); regular scheduled meetings with customers or occasionally shared project organizations with their customers. We renamed their instrument to 'Customer Interaction' for this research and measured the variable by applying Factor Analysis with Principal Component method of extraction. We then engaged in OLS regressions and hypotheses testing. For computation purposes we labelled the variable VCI (Variable Customer Interaction).

4.2.2 Independent Variable: Customer Orientation

In order to build a strong brand and reputation it is necessary to have sufficient understanding of a firm's customer orientation (Mulyanegara, 2010). To assess this external orientation component we applied Lam's (Lam, et al., 2010) set of questions. These questions measure the level of Customer Orientation on a seven-point Likert scale. The questions evolve around firms' view on for example the extent they see customer preferences as an important success factor; goal alignment with customer satisfaction and problem solving approaches in selling to customers (section 4.8, questions 1-6).

We applied six of their nine instruments and rephrased them from an individual respondents perspective to an organizational respondents perspective (i.e. questions were changed from 'I focus on customer solutions' to 'we focus on customer solutions'). The three instruments we omitted were identical to the one we selected yet more detailed regarding specific products. While addressing specific products might be important in some research context we do not claim that to be the case in our CSR research context. Once we selected the instruments we used them to measure our Customer Orientation variable by using Factor Analysis with the Principal Component method of extraction. We also engaged in OLS regressions and hypotheses testing. For computation purposes we then labelled the variable VCO (Variable Customer Orientation).

4.2.3 Independent Variable: Market Orientation

We applied Ellis (Ellis, 2010) set of questions that measure the level of Market Orientation on a seven-point Likert scale. These questions evolve around firms' view on for example knowledge of how customers value a firm's products; how well they know their competitors or if various managers do field visits to customers to learn from them first hand (section 4.8, questions 12-19). We used their complete instrument to measure the Market Orientation variable by using Factor Analysis with the Principal Component method of extraction. We further engaged in OLS regressions and hypotheses testing. For computation purposes we labelled the variable VMO (Variable Market Orientation).

4.3 Internal Orientation Independent Variables:

This section explains previously applied measures for the Internal Orientation factors (strategic orientation, strategic CSR intent, operative CSR management, industrial standards and the timing and design of CSR communication). We used a seven-point Likert scale for all scales where 1 = Strongly Disagree, and 7 = Strongly Agree. For computation purposes we labelled the cumulative internal orientation variable VIO: Variable Internal Orientation (the combined result of the six internal orientation variables).

4.3.1 Independent Variable: Strategic Orientation

Since the intention of this dissertation is to focus on CSR with a strategic intent to a firm, in other words, situations and contexts where firms engage in strategic CSR activities to gain some direct or indirect benefit for the firm (McWilliams & Siegel, 2011; Porter & Kramer, 2006) while simultaneously positively influence some societal conditions, we needed an Internal Orientation factor to measure this intent. For this reason we applied Tomášková's (Tomášková & Kopfová, 2010) set of questions that measure the level of Strategic Orientation on a seven-point Likert scale. These questions evolve around (section 4.8, questions 20-23) firms' view on for example monitoring demands of current and prospective customers; the extent that product offerings reflect current customer demands and longevity of goal achievement of market share goals versus financial goals only.

We applied four of their nine instruments omitting five instruments that addressed innovation and employees. Once we selected the instruments we used them to measure our Strategic Orientation variable by using Factor Analysis with the Principal Component method of extraction. OLS regressions and hypotheses testings were also conducted. For computation purposes we labelled the variable VSO (Variable Strategic Orientation).

4.3.2 Independent Variable: Strategic CSR Intent

We applied Carroll's (Carroll & Shabana, 2010) instruments for CSR business case rationale to assess firms' intentions with their CSR activities. These instruments evolve around firms' reasons to engage in CSR for example to gain risk reductions; increase reputation or gain competitive advantages (section 4.8, questions 43-46). We renamed the instrument to 'Strategic CSR Intention' in this research and adjusted it to contain a seven-point Likert scale. We then measured the 'Strategic CSR Intention' variable by applying the Factor Analysis with Principal Component method of extraction. We then engaged in OLS regressions and hypotheses testing. For computation purposes we labelled the variable VCSRINT (Variable Strategic CSR Intent).

4.3.3 Independent Variable: Operative CSR Management

To assess the operative CSR Management structure, that is, how decision making in CSR matters is conducted, we adapted Berkhout's suggestions regarding firm level propensity to use group coordination (i.e. via a committee) to address social activities (Berkhout & Rowlands, 2007). Group level coordination can arise where CSR issues are a fixed topic on TMT meeting agendas (Lam, et al., 2010; Leire & Mont, 2010) or on the board level agenda (Berkhout & Rowlands, 2007; Carroll & Shabana, 2010). Since research suggests that group level coordination can be important but not directly provide instruments to measure it, we used these discussions to develop a set of instruments assessing the presence of group coordination in relation to CSR. To achieve variance we applied a seven-step Likert scale to the instruments (section 4.8, questions 47-49. We renamed group level coordination to 'Operative CSR Management' and used the Factor Analysis with Principal Component method of extraction. We further engaged in OLS regressions and hypotheses testing. For computation purposes we labelled this variable VCSROM (Variable Operative CSR Management).

4.3.4 Independent Variable: Industrial Standards

The International Organization for Standardization (ISO) certifies firms around the world according to various standards so to increase understanding of processes intended to improve firm performance in for example waste reduction (ISO14001) or quality improvement (ISO9001). The ISO organization has further during 2010 completed its ISO26000 draft for a specific CSR standard (Haleblian, et al., 2009; ISO, 2009). Since the implementation and measures of this new standard is practically non-existing at the time of writing this dissertation, we had to ask the respondents regarding the applicability of this new standard.

Since the ISO14001 environmental certification is a program that helps firms to better understand internal waste processes it is widespread among firms taking sustainability seriously. This provides a positive impact on CSR investments even though ISO140001 in itself does not cover measures or obligations to improve the environmental footprint of firms. Firms with an ISO14001 certification are also more likely to invest in CSR given the close relationship between CSR and sustainability. Therefore, the application of ISO14001 can be applicable today as a proxy for CSR. ISO14001 has been measured using a variable scale from 1 to 5 pending on level of completion where a value of '1' is 'not being considered, and '5' being 'successfully implemented' (Delmas & Toffel, 2008; Gadenne, et al., 2009).

We selected to apply their (Delmas & Toffel, 2008) instrument that measure the level of implementation of the ISO14001 standard. We then altered it into a seven-point Likert scale to increase sample variance. As discussed above we use this instrument as proxy to also cover to what extent firms have successfully implemented a quality standard (ISO9001) or the new industrial standard for CSR; ISO26000 (section 4.8, questions 29-31. We renamed the instrument to 'ISO Industrial Standards' in this research and used the Factor Analysis with Principal Component method of extraction. OLS regressions and hypotheses testings were also conducted. For computation purposes we labelled the variable VISO (Variable Industrial Standards).

4.3.5 Independent Variable: CSR Communication Timing

Since communication is an important part of strategic CSR the timing can have a profound impact on communication goals, that is, if a firm is rewarded or punished by the market for its behaviour (Ziek, 2009). If planned sub optimally CSR communication risk scepticism and cynicism among their customers (Lindgreen & Swaen, 2010). As responsible firms should support their behaviour with information (Wagner, et al., 2009b) it requires CSR communication (Hill, et al., 2007). It is therefore recommended that external CSR communication should follow observed behaviour in a reactive yet pre-emptive way, for example what a firm plan to engage in to mitigate and rectify a sub-par behaviour in some aspect (Wagner, et al., 2009b).

We extracted the core findings from the above researchers regarding the importance of CSR communication. We then adapted it into a set of questions to assess the level of timing of CSR communication. Since they all highlighted how CSR communication should be communicated in relation to an event (expected or unexpected) we extracted and designed the questions accordingly. That is, a firm can only respond in one of two ways: before or after an event has occurred. The questions therefore evolve around firms' timing of communication: whether it is event driven; whether firms communicate to precede media intention (being proactive) or in response to media attention (being reactive) or otherwise are proactive or reactive in their communication efforts (Wagner, et al., 2009b).

To maintain the structure of this research we applied a seven-point Likert scale to the three questions (section 4.8, questions 53-55) and named the instrument 'CSR Communication Timing' for this research and used the Factor Analysis with Principal Component method of extraction. We engaged in OLS regressions and hypotheses testing. For computation purposes we labelled the variable VCommTim (Variable Communication Timing). We note that this variable is not related to the control variable Market Intensity which addresses monetary values for market interaction and communication.

4.3.6 Independent Variable: CSR Communication Design

As previous research (Lopez, et al., 2007; Luo & Bhattacharya, 2009) state that CSR should be properly communicated to support firm level objectives, firms should ensure that the customers notice and understand the CSR information (Du, et al., 2010; Scholder, et al., 2006). Thus, the communication of CSR must be efficient (Du, et al., 2010). Firms must therefore evaluate what and how to communicate CSR specifics without being perceived as solely self-serving (Du, et al., 2010). One way to overcome this potential issue is to apply a more holistic approach for example by embedding CSR information as an extension of the normal market or product communication (Noha, 2009; Olson, 2008). It is further important to ensure that the employees are aware of all CSR activities via internal marketing since it is likely and expected that the market respond to CSR information (Wieseke, et al., 2009).

Since the research discusses how CSR communication should be designed we extracted and adapted it into a set of questions. The questions therefore evolve around firms' communication design. That is, whether customer communication is holistic or not (Gadenne, et al., 2009); whether firms communicate with their employees in a general or specific way (Wieseke, et al., 2009); or if product related CSR information is specifically communicated or not (Noha, 2009). To maintain the structure of this research we applied a seven-point Likert scale to each of the three questions (section 4.8, questions 56-58). We renamed their instrument to 'CSR Communication Design' for this research and used the Factor Analysis with Principal Component method of extraction. We further engaged in OLS regressions and hypotheses testing. For computation purposes we labelled the variable VCommDes (Variable Communication Design). Note that this variable is not related to the control variable Market Intensity which addresses monetary values for market interaction and communication.

4.4 Index Variable: CSR

This section explains the variable CSR (the 'OMX-GES Sweden Index'). As previously stated in the literature review, a specific measure for CSR is yet to be developed (Hill, et al., 2007). Measuring CSR is described as difficult being a tacit concept. The praxis within CSR research is therefore to substitute the lack of a precise instrument with an

appropriate index that rank firms on some CSR related trait, for example sustainability or ethical behaviour. A commonly used index for CSR research in U.S firms is the MSCI KLD index (Kinder, 2009; Ramchander, et al., 2012). MSCI KLD (MSCI, 2012) is a registered investment advisor providing social research on U.S. firms to the investment community. The MSCI KLD's data base consists of more than 1000 publicly traded firms. MSCI KLD screens each firm annually, using a variety of measures including the UNPRI framework. However, the MSCI KLD rankings are only suitable to assess CSR for research in the U.S. context (Waddock & Graves, 1997).

MSCI is a leading provider of investment decision support tools to around 6,200 clients worldwide, ranging from large institutional owners (pension plans) to boutique hedge funds. MSCI offer a range of products and services including indices, portfolio risk and performance analytics, and governance tools (MSCI, 2012). The MSCI KLD 400 Social Index is based on the MSCI USA Investable Market Index (IMI), its parent index, which includes large, mid and small cap constituents in the US. The index includes companies in the parent index with high Environmental, Social and Governance (ESG) ratings, while excluding companies involved in alcohol, tobacco, gambling, firearms, nuclear power and military weapons production. Launched in May 1990 the index is one of the first Socially Responsible Investing (SRI) indices.

The MSCI KLD Social Index is a free float-adjusted market capitalization index designed to measure the equity performance of U.S. companies that have positive Environmental, Social and Governance (ESG) characteristics. The Index consists of companies identified by MSCI which consists of the largest New York Stock Exchange and NASDAQ Stock Market LLC listed US equities ranked by investable market capitalization. MSCI analyses each eligible company's ESG performance using proprietary ratings covering environmental, social (community and society, customers, employees and supply chain) and governance & ethics criteria (MSCI, 2012).

Since this research focused on publicly traded firms in Sweden, one must apply a similar index for that country. GES Investment Services (northern Europe's leading ESG service provider) and NASDAQ-OMX successively calculate a range of sustainability and ethical indexes on the Nordic stock markets based on the UNPRI- and the ESG frameworks. One of their indexes that have been used to address CSR research in Sweden is the 'OMX-GES Sweden Index'. This is an applicable Index as it is considered to be the Swedish version of the MSCI KLD index used for U.S firms in CSR research (Semenova, et al., 2008; Waddock & Graves, 1997).

The 'OMX GES Sweden Index' consists of listed and publicly traded companies at the Stockholm stock exchange where a firm's ranking on the Index is used as one measure of CSR initiatives (Semenova, et al., 2008). This Index is our dependent variable when assessed in relation to the strategic management settings (External Orientation and Internal Orientation) forming the first part of our model, and the independent variable when compared

to the Firm Performance variable (the second part of our model). For computation purposes we labelled the variable 'the Index'. See Appendix 1 for a comprehensive list of Index rankings and their scores per firm position.

4.5 Dependent Variable: Firm Performance

The practice of measuring firm performance by managerial views or accounting measures are prevalent in business related research and CSR. While Return on Assets (ROA) as a firm performance measure (addresses earnings generated from invested capital (assets) independent from firm size), have been used in previous CSR research, it is advisable to assess CSR using other measures. The reason is that ROA represents firms' profitability in respect to total set of resources, that is, all assets in its control (Hull & Rothenberg, 2008; Marcel, 2009; Waddock & Graves, 1997). However, ROA for can vary substantially and be dependent on the industry they belong to. The assets in question are further the sort that is valued on the balance sheet, that is, fixed assets and not intangible assets like people, corporate culture or CSR derived reputation. For this reason ROA is less dependable for comparing one firm against another as some firms have their value based for example on trademarks, brand names or patents, which according to GAAP accounting rules are not recognized as assets (McClure, 2010). Despite these arguments ROA has been widely used by CSR researchers to measure the impact from CSR on firm performance (Hull & Rothenberg, 2008; Marcel, 2009; Waddock & Graves, 1997; Walls, et al., 2012).

Another commonly applied firm performance indicator in CSR and business related research is Operating Profit (commonly addressed as EBIT: earnings before interest and tax). It is the profit earned from a firm's normal core business operations hence potential returns from investment activities are excluded. A firm's operating income figure is therefore often seen as more reliable when making comparisons between firms for this reason (Loth, 2010). An important factor to the widespread use of Operating Profit is that it excludes taxes and interest expenses which effectively null potential effects of different capital structures and tax rates (McClure, 2010b).

Another reason to compare Operating Profit is that management has more control over operating expenses than its cost of sales which means that differences in this ratio could be directly attributable to managerial skills and decision making (Loth, 2010). Operating profit can be expressed as an absolute value (annual revenue is deducted by the operating expenses) or as a percentage (Operating Profit Margin) where the operating profit is divided by revenue (Harjoto, 2008; Orlitzky, et al., 2003; Wood, 2010).

Since the core research questions in this dissertation evolve around the intangible benefits of CSR, and as such depend on TMT perception of achieved benefits, we investigated firm performance by using primary data. Keller et al (1961) developed a seven-point Likert scale to measure managerial views of credibility (Bruner & Hensel, 2001). Since

these types of measures are very difficult to measure with robustness and more suitable to assess by involving the customers directly (Mulyanegara, 2010), one suggestion is to use Keller's credibility measure to proxy for other managerial views as well (Zlatevska, 2009). In Ellis (2010) we found developed primary measures for firm performance that follow the suggestions by Keller et al.

Ellis (2010) rated firm performance by assessing upper management's views on whether their firm (in comparison with their major competitors) were significantly better for the past three years in terms of Operating profit, ROA, Sales growth and Market share. Since Keller's (1992) scales focus on firm performance in terms of, for example, product quality and manufacturing skills, we find Ellis (2010) measures more suitable for our research context.

Once we established the relationship between firm performance and CSR, we triangulated the firm performance measures to increase research robustness. For computation purposes we labelled the variable VFP (Variable Firm Performance). Our triangulation of financial statements (operating profit, ROA, sales growth and market share) suggest that respondents accurately assessed firm performance.

4.6 Control Variables

This section explains previously applied measures for the control variables industry affiliation, firm size, customer categories and market intensity. For computation purposes we labelled the variables CV1, CV2, CV3 and CV4 (Control Variable industry affiliation, firm size, customer categories and market intensity).

4.6.1 Control Variable: Industry Affiliation

Controlling for Industry affiliation is important in CSR research. CSR can for example be more common in mature industries like food, cosmetics, pharmaceuticals, financial services, utilities and automobile industry (McWilliams & Siegel, 2001a; Simpson & Kohers, 2002) than in more infant industries like ICT or on-line gaming. The type of CSR applied also differs across industries. Firms that prefer project specific contributions (i.e. random contributions) are more common in retailing and financial services (Lev, et al., 2011). Firms with commodity type- or heavy industrial products are also more likely to engage in CSR efforts (Hult, et al., 2007; McWilliams & Siegel, 2001a). It is also recommended to control for industry to address the different levels of R&D that are pertinent among different industries (Waddock et al., 1997). Industry affiliation is generally measured as a general industry coding practice applicable for a specific country (Siegel & Vitaliano,

2007). For computation purposes we labelled the variable CV1 (Control Variable Industry Affiliation).

4.6.2 Control Variable: Firm Size

The literature review reveals that Firm Size is frequently used as a control variable. One reason why researchers should control for size is that performance varies substantially across industries (Hull & Rothenberg, 2008; Marcel, 2009; Waddock & Graves, 1997). One earlier calculation for Firm Size is total assets and total sales deployed in the firm (Waddock & Graves, 1997). More recent CSR research suggests to instead using the weighted average of a firm's total assets (Hull & Rothenberg, 2008). The weighted average was calculated over a three year period with a cumulative weight of 0.5. The full weight (1.0) was given to the value of the most recent year Y_1 while a 0.5 weight were given to the value of each year Y_{-1}, and a 0.25 weight were given to each year Y_{-2} (Hull, 2011). For computation purposes we labelled the variable CV2 (Control Variable Firm Size).

4.6.3 Control Variable: Customer Categories

Since CSR differ across industries (see 'Industry Affiliation') their customers will differ too. The three customer categories firms' can have is consumers (B2C), other businesses (B2B) or government customers (B2G) or combinations thereof. The cosmetics, pharmaceuticals, banking and utilities industries for example, all focus on different customer categories (McWilliams & Siegel, 2001a; Simpson & Kohers, 2002). The three customer categories consumers- (B2C), business- (B2B) or government customers (B2G) can affect firm willingness to undertake CSR differently (Naffziger, et al., 2003). To exemplify, food and cosmetics firms are likely to focus on consumers (B2C) while pharmaceutical firms focus on their business customers (B2B). Banking and utilities are likely to focus on all three categories (B2C, B2B and B2G) given the nature of their business' (for example supplying financial resources, electricity or water). In turn, the customer categories and the way firms orient their activities around them, can lead to formalized organizational structures which in turn can increase CSR efforts (Berkhout & Rowlands, 2007). We therefore applied Delma's (2008) measure assessing to what extent firms' have B2C customers (consumers); B2B customers (other firms); or B2G government or municipal customers (Delmas & Toffel, 2008; McWilliams & Siegel, 2001a) (section 4.8, questions 7 a-c). We labelled the variable CV3 (Control Variable Customer Categories).

4.6.4 Control Variable: Market Intensity

Previous research has recommended assessing the market intensity when researching firm performance in CSR research (Luo & Bhattacharya, 2009; McWilliams & Siegel, 2001a). The ratio of advertising spending to sales revenue (in monetary values) has been used as a measure to assess the market intensity expressed as a percentage (McWilliams & Siegel, 2001a; Walls, et al., 2012). Since the advertising expenditures were not retrievable in the annual reports in satisfying quantity we used the ratio of sales cost to sales revenue. This alteration of McWilliams measure maintain the purpose of assessing whether market related costs affect firm performance in CSR research contexts. Note that market intensity being a market interaction related cost we don't associate this control variable with the independent variables 'CSR Communication Timing' and 'CSR Communication Design'. This since the market intensity compares monetary values while 'CSR communication Timing' address when CSR is communicated (proactively or reactively) and 'CSR communication Design' assess how it is communicated (in a selective or a holistic fashion). We labelled the variable CV4 (Control Variable Market Intensity).

4.7 The questionnaire design

The questionnaire was designed around three key sections. The first section covered questions regarding the respondent's demographic data. The second section addressed specific questions regarding firms' external- and internal orientation and their characteristics (set-up). That is, to collect data regarding their position towards their customers and the market place. Here we investigated customer interaction, customer orientation and market orientation as the external orientation components.

We further addressed the internal orientation factors strategic orientation, strategic CSR intent, operative CSR management, implemented industrial standards and aspects of CSR communication in regards to timing and design. The second section also covered data collection regarding the control variables (i.e. industry affiliation, firm size, customer categories and market intensity). The third part contained additional and questions for those respondents willing to contribute with more information. These questions were indirectly related questions to our core CSR research that could be used as research extensions or versions for future research papers. Examples of such questions evolve around product- or competitor orientation; types of CSR communication media; sources of market pressure; level of centralization; future market orientation and environmental practices.

We selected this approach to make the questionnaire seem less time consuming and to ensure that data was collected for the core questions. For each of the constructs there were several questions applied by previous researchers. We selected those previously used in CSR research and positioned them in our quantitative research (section 4.8, the questionnaire) in a

consecutive order. These were later assessed using Factor Analysis, OLS regressions, hypotheses testing and Discriminant analysis in relation to our research model.

For this research we applied standard industrial coding for Sweden (MSIC). We re-coded the MSCI industry classification to a numeric value ranging from 1-34 since the Index had 34 different industries represented. The conversion into numeric industry representation simplified interpretation, computation and overview. A list of the industries represented on the Index is found in Appendix 1.

The questionnaires introduction part had seven questions requesting a selective reply. The second, and core part, contained of sixty-two compulsory questions. Fifty-eight of these questions requested a reply on a seven-point Likert scale (1 = Strongly Disagree, and 7 = Strongly Agree) and four questions requested a 'yes' or 'no' response. The third part had twenty-five questions whereof twenty-three questions requested a reply on a seven-point Likert scale (1 = Strongly Disagree, and 7 = Strongly Agree) and two questions requested a 'yes' or 'no' response. For details see section 4.8.

Complementary data was further collected from each responding firm's 2010 annual reports. These data were accounting data covering total assets, operating profit, sales revenue, sales costs and value of inventory, sales growth, long-term debt, current liabilities, current assets and market share. We also assessed the Stockholm stock exchange to find the historical data regarding MCAP (Market Capitalization, i.e. the value of the firm) for 31st December 2010.

4.8 Research Questionnaire

The below questions in this section are listed for reader convenience as a referral when reading for example the hypotheses results and conclusions. Several questions were given to the respondents for data collection purposes for future extended research for CSR and were excluded in this research.

Questionnaire Part I: Introduction Questions (Respondent Profile)

a) My gender is: male___ female___
b) My age group is:
   a. 20-25 b) 26-30 c) 31-35 d) 36-40 e) 41-45
   f) 46-50 g) 51-55 h) 56-60 i) >61
c) My length of education is:
   a. 11-12 years (High-School) b) 13-15 years (B.Sc., Univ.)
   b. 16-17 years (M.Sc., Univ.) c) >17years (PhD)
d) Number of years of full-time employment (all jobs): _____years
e) I have worked in the current industry for (number of years): _____years
f) My current position is:
   a. General staff
   b. Group manager
   c. Middle-level manager
   d. Upper level manager
   e. Executive
   f. Board member
g) Name of company (parent):_____

Questionnaire Part II-A – core questions (External Orientation)

1. We think customer preferences are a key factor to the success of our company;
2. We frequently survey customers to find out the products and services they would like to see in the future;
3. The goals we set for our staff are mainly aiming at customer satisfaction;
4. We try to figure out what a customer's needs are;
5. We try to help customers achieve their goals;
6. We take a problem solving approach in selling products or services to customers;
7. Our company has: a) B2C customers (consumers); b) B2B customers (other firms) and or c) B2G customers (government/municipal);
8. Our company have occasionally shared project organizations with our customers;
9. Our company have formal written procedures how to interact with customers;
10. Our company have direct cooperation (intra-departmental) with customers (e.g. our marketing departments work together with one of our customers marketing departments);
11. Our company have scheduled regular interactions (e.g. monthly) with our customers;
12. Our company's goals are driven by customer satisfaction;
13. We have a good understanding of how our customers value our products and services;

14. Our company's business strategies are primarily driven by our understanding of possibilities for creating value for customers;
15. We know our competitors well;
16. If a major competitor were to launch an intensive campaign targeted at our customers, we would respond immediately;
17. Our managers often visit important customers to learn what products/services they will need in the future;
18. Our top managers frequently discuss competitors' strengths and strategies?
19. We frequently take advantage of opportunities to exploit competitors' weaknesses?

Questionnaire Part II-B – core questions (Internal Orientation)

20. Our company regularly monitor the development of demands of current and prospective customers;
21. Our company offer products reflecting the latest demands and wishes of customers;
22. We try to predict the behaviour of our main competitors;
23. Our company prefer reaching long-term goals to short-term ones, the achievement of a certain market share to financial goals;
24. Our company have a CSR-committee;
25. Our company have a CSR manager;
26. Our company have a COO;
27. Our company have a Sustainability Manager;
28. I rate our company's performance in comparison with our major competitors as significantly better for the past three years regarding: a) Operating Profit b) Sales Growth c) Market share
29. Our company have successfully implemented a quality standard (ISO 9001);
30. Our company have successfully implemented an environmental standard (ISO 14001);
31. Our company have plans to apply the new CSR standard (ISO 26000);
32. We are always looking for new products and services;
33. We always reconsider and develop the product and service offering of our company;
34. We consider innovative new products and services as a key component of success;
35. We pay close attention to competitors' activities;
36. We keep a close eye on our competitors' customer retention tactics;
37. We monitor exactly what special actions our competitors are doing;
38. In my opinion, our company has products of a superior quality;
39. In my opinion, our company is extremely trustworthy;
40. In my opinion, our company always care about our stakeholders;
41. In my opinion, our company has a superior reputation among our customers;
42. In my opinion, our company has a superior CSR reputation;

Questionnaire Part II-C – core questions (CSR)

43. Our company practice voluntary CSR to gain some cost reductions;
44. Our company practice voluntary CSR to gain some risk reductions;
45. Our company practice voluntary CSR to strengthen our reputation;
46. Our company practice voluntary CSR to gain some competitive advantages;

47. Our company apply some forms of group coordination or organizational structure to address CSR;
48. Our company has CSR as a fixed topic on the agenda for our TMT (top mgmt team);
49. Our company has CSR as a fixed topic on the agenda for our Board meetings;
50. In our company, the top 3 who makes non-environmental CSR decisions (i.e. CSR initiatives that do not target recycling, waste reduction, pollution etc.) is:
    a. the CSR-committee;
    b. the CSR manager;
    c. the Sustainability Manager;
    d. the Business Development Manager;
    e. the Strategy Manager;
    f. the Marketing Manager;
    g. the Sales Manager;
    h. the Top Management Team;
    i. the COO;
    j. the CEO;
    k. the Board of Directors;
    l. the owners;
    m. other (specify);_____
51. Our company provide internal workplace CSR amenities (convenience services) like:
    a. On-site child-care;
    b. On-site gym or physical exercise for use during office hours;
    c. On-site butler (personal services);
    d. other (please specify); _____
52. Our company provide external CSR like:
    a. We ensure to use non-animal testing procedures for our products (where applicable);
    b. We include some element of CSR on our product labelling;
    c. we ensure that our products are made of as environmentally safe material as possible;
    d. we support some local businesses;
    e. we support some local organization(s);
    f. we support some local sports club;
    g. we support micro-finance initiatives in developing countries;
    h. we support education by contributing scholarships to promising students;
    i. other (please specify); _____
53. Our company communicates CSR when a special event makes it necessary (event driven);
54. Our company's external CSR communication is *proactive* (we precede media attention);
55. Our company's external CSR communication is *reactive* (we respond to media attention);
56. Our company's CSR communication with *customers* is holistic (general and non-specific);
57. Our company's CSR communication with *employees* is holistic (general and non-specific);
58. Our company's CSR communication regarding *products* is specific;
59. Our company communicates our CSR activities externally in a *traditional* fashion;
    a. annual reports,
    b. press releases,
    c. advertisements,
    d. printed media (brochures),
    e. internet (corporate website)

60. Our company also communicates our CSR activities externally using *new* ways;
    a. twitter,
    b. YouTube,
    c. FaceBook,
    d. company blogs,
    e. Flickr,
61. Our company communicates our CSR activities internally in a *traditional* fashion;
    a. annual reports,
    b. press releases,
    c. advertisements,
    d. printed media (brochures),
    e. internet (corporate website)
62. Our company also communicates our CSR activities internally using *new* ways;
    a. twitter,
    b. YouTube,
    c. FaceBook,
    d. company blogs,
    e. Flickr

Questionnaire Part III – Complementing (voluntary) questions

1. Our company experience pressure to undertake CSR from activist groups;
2. Our company experience pressure to undertake CSR from customer groups;
3. Our company experience pressure to undertake CSR from government initiatives;
4. Our company discuss external pressure from customers/activists/NGO's (risk mgmt agendas);
5. Our company gives more emphasis to future customers relative to existing customers;
6. Market research efforts in our company are aimed at obtaining information about customers' needs in the future, relative to their current needs;
7. Our company is more future oriented than present oriented;
8. Our company is slow to detect shifts in our industry (e.g. competition, technology, regulation);
9. There can be little action taken here until a supervisor approves a decision;
10. A person who wants to make his own decision would be quickly discouraged here;
11. Even small matters have to be referred to someone higher up for a final answer;
12. I have to ask my boss before I do almost anything;
13. Any decision I make has to have my boss' approval;
14. Our company changed business processes to reduce waste;
15. Our company changed business processes to reduce raw materials consumed;
16. Our company use recycled packaging for our products sold;
17. Our company considers voluntary CSR to be of value to our customers:
18. Our company considers voluntary CSR to be of value to our suppliers;
19. Our suppliers' environmental concerns have impacted on our business;
20. Our suppliers consider environmental issues to be very important;
21. Our company communicates CSR on the departmental level (each division e.g. HR or marketing etc. communicates their own CSR initiatives);
22. Our company monitors, control and plan our CSR communication (quality);
23. I personally believe that we could increase our efforts of CSR in our company;
24. Our company a) have an Ethics Manager; b) use KAM's (Key Account Managers);

Chapter Five: Results **95**

5.0 Analysis Introduction

This chapter contains an overview of the sample descriptive and the results for each of the independent and dependent variables. We also discuss the relationships between the variables, their interpretations and correlations. The analysis section also addresses how the cumulative External Orientation variables, the cumulative Internal Orientation variables and Firm Performance relate to CSR in our research context. The section ends with the predictive section where CSR levels are assessed in relation to firm level characteristics. All computations were performed in SPSS version 19 (section 5.7).

5.1 Analysis: Data Descriptives

When investigating the data several points of interest were revealed regarding this research. A detailed summary are available in this section. The sample describes the average manager or executive responsible for CSR activities as male or female (almost equally represented), of 45 years of age that holds a bachelor degree and is in an upper-management or executive position. The typical manager responsible for CSR initiatives has more than thirteen years of industry experience. The sample manager believed their employer to be extremely trustworthy with a superior CSR reputation among their customers. They further engaged in CSR with the core intent to strengthening their firm reputation, followed by the improvement of a competitive advantage and, or to reduce risk. We also found that the decision making authorization of these important strategic management components were shared with the TMT and that almost half of the respondents had CSR as a fixed topic on their TMT meeting agenda. In regards to market communication we found that the responding firm typically communicated their CSR programs in a reactive fashion (event driven) while one third proactively communicated CSR to precede media attention. CSR communication was also designed to be product specific in conflict with previous research that recommends communicating CSR in a holistic fashion (general and non-specific). The preferred media for communication were by majority corporate websites. Approximately one third of the respondents also use new media channels such as company blogs and Facebook.

5.1.1 The 'CSR Manager'

The sample describes the average manager or executive responsible for CSR activities as male or female (almost equally represented), of 45 years of age (mean 5.83 where 5 is age group 41-45 and 6 is age group 46-50, SD1.438), holds a bachelor degree (54.90%) and is in a upper-management or executive position (67.1%). Our sample manager responsible for CSR have further an average of 13.2 years of current industry experience.

*5.1.2 **Gender** (Question 'a')*

Gender is evenly spread across the data set with males and females equally represented (45.1% and 54.9% respectively) across organizational positions (52.73% for men and 47.27% for female managers respectively) with the exception of lower-level management positions where females are more than twice as frequent as males (29.63% for men and 70.37% for female managers respectively). The variation across education, position, gender and age are normally distributed.

Top-100 (total index):		**Comments:**
27 of N=82 are lower positions	32.93%	
55 of N=82 are higher positions	67.07%	A majority of CSR mgr positions are upper-level management positions.
8 of 27 lower positions are held by men	29.63%	
19 of 27 lower positions are held by women	70.37%	There's no equality b/w gender on lower positions on the Top-100.
29 of 55 higher positions are held by men	52.73%	
26 of 55 higher positions are held by women	47.27%	There's almost equality b/w gender for higher positions on the Top-100.

Table 4: Gender representation across organizational CSR positions – Top100 Index.

Top-40 section:		**Comments:**
13 of 35 are lower positions	37.14%	
22 of 35 are higher positions	62.86%	A majority of CSR mgr positions are upper-level management positions.
4 of 13 lower positions are held by men	30.77%	
9 of 13 lower positions are held by women	69.23%	There's no equality b/w gender on lower positions on the Top-40.
9 of 22 higher positions are held by men	40.91%	
13 of 22 higher positions are held by women	59.09%	There's almost equality b/w gender for higher positions on the Top-40.

Table 5: Gender representation across organizational CSR positions – Top40 Index.

Bottom-60 section:		Comments:
14 of 47 are lower positions	29.79%	
33 of 47 are higher positions	70.21%	A majority of CSR mgr positions are upper-level management positions.
4 of 14 lower positions are held by men	28.57%	
10 of 14 lower positions are held by women	71.43%	There's no equality b/w gender on lower positions on the Bottom-60.
20 of 33 higher positions are held by men	60.61%	
13 of 33 higher positions are held by women	39.39%	There's less equality b/w gender for higher positions on the Bottom-60.

Table 6: Gender representation across organizational CSR positions – Bottom-60 Index.

*5.1.3 **Age** (Question 'b')*

The average executive or manager responsible for CSR was 45 years of age (mean 5.83 where 5 is age group 41-45 and 6 is age group 46-50, SD1.438). We found the majority 52.5% in the age bracket 46-55 years of age followed by 40.5% in the age bracket 36-45. Among younger people we found that only 6.1% of the firms had executives or managers responsible for CSR (less than 35 years of age). Among the senior executives of managers 11.1% was over 55 years of age.

*5.1.4 **Education** (Question 'c')*

Regarding educational level in our sample we find that 88.7% of the CSR managers have a university degree. While only 6.10% have a doctoral degree (PhD) 32.9% have achieved a master's degree and the remaining 54.9% have a bachelor's degree. When cross examining the Top-100 Index we find that female managers are in general more frequent in lower positions (approximately 70%) but equal with men in higher positions (approximately 50%). However, for the Bottom-60 of the Index males are over represented at the higher positions by approximately 60%. See the following descriptive statistics regarding gender and organizational position (where lower position is defined as group- or middle level manager and higher position defined as upper-level or executive level manager):

5.1.5 Current Position of CSR managers (Question 'f')

Among the respondents we found 50.0% in an executive position. The second majority organizational level for CSR managers were found in the middle- or upper level management (22.0% and 17.1%) respectively. This is interesting since half of the sample firms (50.0%) have allocated resources to an executive position which should indicate a more concentrated approach to CSR benefits while almost all other firms (39.1%) place the CSR responsibilities on a line manager (22.0%) or a formal non-executive manager (17.1%).

5.1.6 Customer Categories (Questions 7a, b, c)

The relationships regarding customer categories were the expected. We did for example not expect firms' with consumers (B2C) to also have government customers (B2G). We found that firms' that had B2C customers did not have B2B customers (significantly negatively correlated -.425**) and that firms' that had B2C customers does not correlate with firms that had B2G customers (.075). We also found that firms' that had B2B customers does not have B2G customers (significantly positively correlated .408**). When assessing the frequencies we found that 28.0% of the respondents firms had B2C customers; 53.5% had B2B customers and that 19.5% had B2G customers.

5.1.7 Managerial View of Performance (Questions 28a, b, c)

A majority of managers (84.2%) believed that their own firm had significantly better operating profit than their major competitors for the past three years. The same respondents simultaneously believed that they had not had better sales growth (62.2%) or had better market shares (61.0%). The self-perception regarding these three beliefs was found to be significantly positively (.363** at the 0.01 level) correlated with the Index.

5.1.8 Firm Reputation (Questions 38-42)

When assessing managerial self-perception the respondents had overall a strong sense of their own firm's ranking. They thought their own firm to be extremely trustworthy (mean 5.60), always caring for their stakeholders (mean 5.63) and having a superior CSR reputation among their customers (mean 5.11). Simultaneously they ranked themselves lower on having superior product quality (mean 4.95) or a superior CSR reputation (mean 4.46).

Translated into frequencies this represents that 57.3% ranked their firm to be extremely trustworthy (scoring 6 or 7) while 85.3% said that they always care about their stakeholders (scoring 5, 6 or 7). 4.80% of the respondents said that their firm did not care for

stakeholders. In respect to CSR reputation 72.0% (scoring 5, 6 or 7) of the respondents ranked their firm as having superior reputation among their customers while 7.3% (scoring 1, 2 or 3) ranked themselves as having an inferior reputation among their customers.

5.1.9 Internal CSR Activities (Question 51a-d)

When assessing some specific examples of what the respondents classified as CSR activities in their individual cases we found that 69.5% offered internal (to employees) activities like on site gym or physical exercise during office hours and that 11.1% provided some form of butler (personal) service. A further 28.0% of the respondents engaged in other CSR activities like free vaccinations prior to vacation trips but the most common reply in this regard (the answer to 'other activities') were that they 'do something but it varies from country to country of operations'.

5.1.10 External CSR Activities (Question 52)

When investigating some specific examples of what the respondents classified as CSR activities external to the firms' we found the majority (75.6%) supported some local organization followed by support to a local sports club (59.8%) and supporting local businesses (51.2%). Among the more sustainability related aspects of CSR we found that 13.4% ensured that they used non-animal testing procedures and that 47.6% ensured their products were made of as environmentally safe material as possible. A minority of 3.7% replied micro-finance to be the preferred avenue for their CSR activities. 35.4% of the respondents engaged in other CSR activities like providing financial education programs to youth and adults, improving working conditions in supplier factories or supporting various research projects while 35.4% of the responding firms also supported education scholarships to promising students. Among the newer and CSR specific we find that 19.5% included some element of CSR on their product labelling.

5.1.11 CSR Intention (Questions 43-46)

When assessing what intent firms' had with engaging voluntarily in CSR activities 31.7% (scoring 6 or 7) referred to 'Cost Reductions', while 53.6% engaged in CSR to reduce risk (scoring 6 or 7). We further found that 74.4% (scoring 6 or 7) engaged in CSR with the intent to strengthening firm reputation. When investigating the latter closer we found that 32.9% scored a 7 ('Strongly Agree') while 41.5% of the sample scored a 6. Strong intent was also displayed for 'Competitive Advantage' where 57.3% scored a 6 or a 7 with the overall majority for competitive advantage was found in 'Strongly Agree' (scoring a 7) and 34.1%.

5.1.12 CSR Management - Structural (Questions 24-27)

From a frequency perspective we found that 70.7% of the respondents firms' had a CSR committee; 61.0% had a CSR manager; 65.9% had a COO and that 62.2% had a Sustainability Manager.

5.1.13 CSR Management - Operative (Questions 47-49)

When assessing respondents view on how CSR decision making is managed, we found that 50.0% of the respondents used group coordination and organizational structure to address CSR (scoring 6 or 7); 39% had CSR as a fixed topic on TMT agendas (scoring 5, 6 or 7) or as a fixed topic on the agenda for Board meetings (18.3%, scoring 6 or 7). We also found that 48.7% of the firms' did not have CSR as a fixed topic on the Board level.

5.1.14 Industrial Standards (Questions 29-31)

Respondents provided information in regards to their successful implementation (in daily use) of three industrial ISO standards. Among the firms listed on the Top-100 Index we found that 35.4% had successfully implemented the ISO-9001 quality standard while 36.60% had successfully implemented the ISO-14001 Environmental standard. Regarding the newly published (2011) standard for CSR specifically, ISO-26000, 6.1% of firms were in the process of implementation while 69.5% had not acted at all in regards to the new standard.

5.1.15 CSR Decision Making (Question 50a-m)

The core findings when assessing the replies regarding non-environmental CSR decision making, we found that 70.7% of the firms on the Index have their TMT to make the decisions. The CEO was involved in 48.8% of the firms. CSR-managers make the decisions in 36.6% of the firms. We also found that the Strategy-, Business Development-, Marketing-, Sales- or Sustainability Managers, the COO or the owners, were almost never part of CSR decision making (100%, 91.5%, 90.2%, 98.8%, 85.4%, 96.3% and 95.1% respectively). We also found that CSR committees only made the CSR decisions (have the authority to make the decisions) in 17.1% of the firms. A further 17.1% reported that their Board of Directors made the non-environmental CSR decisions.

5.1.16 CSR Communication - Timing (Questions 53-55)

The timing of when to communicate CSR activities was reported to be event driven (reactive) in 64.4% of the firms while 35.6% communicates CSR proactively to precede media attention.

5.1.17 CSR Communication - Design (Questions 56-58)

When assessing how CSR communication was designed (to what extent is holistic defined as general and non-specific) 74.9% of the firms reported that they did not communicate CSR in a holistic fashion with their customers or their employees (76.8%), while 23.2% do communicate in a holistic fashion. CSR communication regarding firms' products were also reported to be specific (e.g. 'organic') in 57.4% of the responding firms.

5.1.18 CSR Communication - Media (Questions 59-62)

The majority of firms' communicates their CSR activities externally (non-employee stakeholders) in a traditional fashion using corporate websites (97.6%) followed by 62.2% press releases; 42.7% brochures; 36.6% advertisements and annual reports (26.8%). Those firms' who also communicated CSR externally in new media preferred company blogs (36.6%) over Facebook (28.0%) and YouTube (28.0%).

When assessing the same information but regarding internal communication (to employees) we found that traditionalism reigns via the usage of corporate websites (98.8%) followed by 41.5% press releases; 31.7% brochures while 15.9% used advertisements to connect with their employees. Annual reports were seldom used for internal communication (7.3%). Those firms' who also communicated CSR internally using new media preferred company blogs (39.0%) followed by FaceBook (17.1%) and YouTube (13.4%).

5.2 Correlation chart of Variable Relationships and Hypotheses Results

This section introduces the reader to the relationships between the variables (table 8a and 8b) and the overall findings regarding our research model.

5.2.1 Correlation chart

The correlation chart (Table 8a) addresses the relationships between each of the research models components. A correlation chart for the cumulative research variables 'External Orientation', 'Internal Orientation', 'CSR Index' and 'Firm Performance' are also provided (Table 8b). We found significant correlations and positive relationships in our data. These relationships are explained throughout this chapter. In this section we highlight selected specific findings as a brief to the discussion section (Chapter 6).

Some key relationships were expected and to various extents implied in the literature review. We found for example that Customer Orientation (VCO) and Market Orientation (VMO) as an external orientation firm level objective was significantly positively correlated with all the internal orientation variables, firm performance (VFP) and the Index (Table 8a).

We also found that all the internal orientation variables (Strategic Orientation (VSO), Strategic CSR Intent (VCSRINT), Operative CSR Management (VCSROM), Industrial Standards (VISO), and the timing (VCommTim) and design (VCommDes) of CSR Communication) were significantly positively correlated with the external orientation variables Customer- and Market Orientation and with each other. These six internal orientation variables were further significantly positively correlated with Firm Performance (VFP) and the Index (Table 8a). We note that the internal orientation variable Customer Interaction was not significantly correlated to all the external orientation variables, firm performance or the Index.

While the literature review implied the potential existence of the above relationships, some relationships exceeded our expectations in that they were stronger than expected. Since it was suggested that firms engage in CSR activities for specific strategic reasons, and to ultimately improve firm performance, we highlight the distinct relationship between Strategic CSR Intention (VCSRINT) and the external orientation variable Customer Orientation (VCO) and Firm Performance (VFP). The relation between Strategic CSR Intention (VCSRINT) and the internal orientation components CSR Industrial Standards (VISO), Communication Timing (VCommTim) and CSR Communication Design (VCommDes) were also distinct. The latter makes logical sense in that firms' that have a specific purpose (intent) with their CSR efforts should decide how and when they should communicate them.

When assessing the relationship between the Index and the External Orientation variable (VEO), the Internal Orientation variable (VIO) and the Firm Performance variable (VFP) we found the correlation to be positively significant (Table 8b). Since this is the core objective of this research we conclude that our research model was robust and verified.

5.2.2 Hypotheses Test Results Summary

This section addresses each hypothesis testing, the cumulative research hypotheses, the predictive analysis and the Index for model interpretation. Each supported hypothesis brings clarity in itself but when combined and verified in the light of a firm's settings (how a set of variables can lead to a certain behaviour) it address one of our core research purposes – to increase practitioner understanding – while increasing the robustness of our research. Thus, the research aids the enablement to assess, discuss and explain a certain Index position. The summary of each hypothesis are provided in section 5.3, 5.4 and 5.5. Detailed computations are found in section 5.7.

We will address the hypotheses in the order they appear according to our research model. That is, we will start to discuss each of the External Orientation variables and how they relate to the CSR Index. We will also cover the results how the cumulative External Orientation variable (VEO) relates to the Index. We will then continue with the Internal Orientation variables and their individual relation to the CSR Index followed by an assessment of the cumulative Internal Orientation variable (VIO). Further assessment will display how the CSR Index relates to Firm Performance (VFP). Following the summary results is the complete computations of each hypothesis. A summary of the results are provided below in table 7.

Hypothesis	Description of the Variable Relationship	Result
H1	*CSR vs. Customer Interaction*	Not Supported
H2	*CSR vs. Customer Orientation*	Supported
H3	*CSR vs. Market Orientation*	Supported
Hi	*CSR vs. External Orientation*	Supported
H4	*CSR vs. Strategic Orientation*	Supported
H5	*CSR vs. Strategic CSR Intent*	Supported
H6	*CSR vs. Operative CSR Management*	Supported
H7	*CSR vs. Industrial Standards*	Supported
H8A	*CSR vs. CSR Communication (timing)*	Supported
H8B	*CSR vs. CSR Communication (design)*	Supported
Hii	*CSR vs. Internal Orientation*	Supported
Hiii	*CSR vs. Firm Performance*	Supported

Table 7. Hypotheses test results summary.

The Index used in this research was constructed by NASDAQ-OMX and OMX-GES to aid investors comparing responsibility levels among firms listed and traded on the NASDAQ-OMX Stock Exchange in Stockholm Sweden. While the Index is publicly available as a Top-40 Index OMX-GES provided us with the complete Top-100 Index

otherwise available only for investors. Where initial computations did not provide us with useful results (i.e. not support our hypothesized result) we engaged in further investigation to assess if, and at what level, there was a relationship between the data and our research model. Thus, where applicable we investigated if the existence of any relationship between our variables and a specific section of the Index. Since the Index is published both as a Top-40 and a Top-100 Index we divided the Index into an upper section (consisting of firm number 1 to 40) and a lower section (consisting of firm number 41 to 100) where applicable in this research. For the readers convenience we name these sections Top-40 and Bottom-60 respectively when assessing the data in the hypotheses section 5.7.

In our predictive section (5.6) we assess the data in an attempt to predict what type of strategic behaviour and organizational characteristics that potentially leads to higher CSR levels (higher Index rank). Hence, we're investigating the relationships between the variables and the Index in reverse. To enable separation of the construct types we named the Index sections TOP40 and TOP60_100 in that section.

5.3 Analysis External Orientation Independent Variables (IV):

This section addresses the External Orientation variables. First, the instruments (section 4.2 and 4.6) were assessed by investigating inter-variable relationships (bivariate correlations) followed by a reliability (consistency) test to verify that the selected instruments measured the degree of the intended component (e.g. Customer Orientation). Second, we conducted factor analysis and principal component equations to compute the variables. Third, Ordinary Least Square (OLS) regression equations were constructed to investigate the relationships between the variables and the Index and its significance. Finally, hypotheses tests were conducted to assess whether the variable modelling was valid, whether the specific variable of interest was significant, and whether the variable of interest was positive in accordance to our expectations. The detailed computations can be found in section 5.7 for all the External Orientation variables.

5.3.1 Independent Variable: Customer Interaction

H1: There is a positive relationship between CSR and the degree of Customer Interaction.

Hypothesis H1 explores the relationship between CSR and Customer Interaction. The independent variable was Customer Interaction (VCI) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 10). The degree of Customer Interaction measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .653). The OLS linear regression indicated that Customer Interaction were insignificant (P-value .182) with an F-value of 1.559. Review of the coefficients suggests that the variable Customer Interaction was insignificant at p .163 with a standardized t-coefficient of 1.409 and Beta at .022. While the positive relationship between the Customer Interaction and the Index were in accordance to our expectations, it was insignificant. Hence, hypothesis H1 was not supported. Firms' that have written instructions or shared project organizations regarding customer interaction are not related to CSR.

5.3.2 Independent Variable: Customer Orientation

H2: There is a positive relationship between CSR and the degree of Customer Orientation.

Hypothesis H2 explores the relationship between CSR and Customer Orientation. The independent variable was Customer Orientation (VCO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 11). The degree of Customer Orientation measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .854). The OLS linear regression indicated that Customer Orientation were significant (P-value .001) with an F-value of 10.671.

The R-square was .412 with an adjusted R-square of .374 with standard error at 4.52149. Review of the coefficients suggests that the variable Customer Orientation is significant at p .001 with a standardized t-coefficient of 6.688 and Beta at .121. The positive relationship between the Customer Orientation and the Index were in accordance to our expectations. We therefore conclude that hypothesis H2 was supported. Hence, the higher a firm rank on the CSR Index, it is more customer oriented than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' align their daily activities towards customer satisfaction, customer preferences and customer problem solving.

5.3.3 Independent Variable: Market Orientation

H3: There is a positive relationship between CSR and the degree of Market Orientation.

Hypothesis H3 explores the relationship between CSR and Market Orientation. The independent variable was Market Orientation (VMO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 12). The degree of Market Orientation measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .766). The OLS linear regression indicated that Market Orientation were significant (P-value .001) with an F-value of 5.033.

The R-square was .249 (sufficient in cross-sectional data) with an adjusted R-square of .199 with standard error at 4.57933. Review of the coefficients suggests that the variable Market Orientation is significant at p .001 with a standardized t-coefficient of 4.376 and Beta at .080. The positive relationship between the Market Orientation and the Index were in accordance to our expectations. We therefore conclude that hypothesis H3 was supported. Hence, the higher a firm rank on the CSR Index, it is more market oriented than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' focus its operations towards customer perception of their value proposition, market knowledge management and competitive intelligence.

5.3.4 IV: Cumulative Variable External Orientation (Hi)

Hi: There's a positive relationship between External Orientation and CSR.

Hypothesis *Hi* explores the relationship between CSR and External Orientation (i.e. the cumulative results from the significant variables Customer- and Market Orientation). The independent variable was External Orientation (VEO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 13). The degree of External Orientation measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .847). The OLS linear regression indicated that External Orientation were significant (P-value .001) with an F-value of 11.101.

The R-square was .422 with an adjusted R-square of .384 with standard error at 2.16323. Review of the coefficients suggests that the variable External Orientation was significant at p .001 with a standardized t-coefficient of 6.725 and Beta at .058. The positive relationship between the External Orientation and the Index were in accordance to our expectations. We therefore conclude that the first of our core research hypotheses *Hi* was supported. The higher a firm rank on the CSR Index it is more externally oriented towards their customers and markets than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' align their activities towards customer satisfaction,

customer preferences and customer problem solving by focusing on their value proposition, market knowledge management and competitive intelligence.

5.4 Analysis Internal Orientation Independent Variables (IV):

This section addresses the Internal Orientation variables. First, the instruments (section 4.2 and 4.6) were assessed by investigating inter-variable relationships (bivariate correlations) followed by a reliability (consistency) test to verify that the selected instruments measured the degree of the intended component (e.g. Strategic CSR Intent). Second, we conducted factor analysis and principal component equations to compute the variables. Third, OLS regression equations were constructed to investigate the relationships between the variables and the Index and its significance. Finally, hypotheses tests were conducted to assess whether the variable modelling was valid, whether the specific variable of interest was significant, and whether the variable of interest was positive to confirm our hypotheses. The computations can be found in section 5.7 for all the Internal Orientation variables.

5.4.1 Independent Variable: Strategic Orientation

H4: There is a positive relationship between CSR and the degree of Strategic Orientation.

Hypothesis H4 explores the relationship between CSR and Strategic Orientation. The independent variable was Strategic Orientation (VSO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 14). The degree of Strategic Orientation measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .695). The OLS linear regression indicated that Strategic Orientation were significant (P-value .003) with an F-value of 3.983.

The R-square was .208 (sufficient in cross-sectional data) with an adjusted R-square of .155 with standard error at 3.05853. Review of the coefficients suggests that the variable Strategic Orientation is significant at p .001 with a standardized t-coefficient of 3.842 and Beta at .047. The positive relationship between the Strategic Orientation and the Index were in accordance to our expectations. We therefore conclude that hypothesis H4 was supported. Hence, the higher a firm rank on the CSR Index it is more strategically oriented than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' adapt a more long-term perspective monitoring changes in customer demands, adjust their value proposition to exceed customer expectations and predict competitor behaviour.

5.4.2 Independent Variable: Strategic CSR Intention

H5: There is a positive relationship between CSR and Strategic CSR Intent.

Hypothesis H5 explores the relationship between CSR and Strategic CSR Intent. The independent variable was Strategic CSR Intent (VCSRINT) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 15). The degree of Strategic CSR Intent measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .791). The OLS linear regression indicated that Strategic CSR Intent were significant (P-value .001) with an F-value of 9.870.

The R-square was .394 with an adjusted R-square of .354 with standard error at 3.39172. Review of the coefficients suggests that the variable Strategic CSR Intent is significant at p .001 with a standardized t-coefficient of 6.445 and Beta at .087. The positive relationship between the Strategic CSR Intent and the Index were in accordance to our expectations. We therefore conclude that hypothesis H5 was supported. Hence, firms ranking higher on the CSR Index also have specific strategic CSR Intents. The significance of the hypothesis indicates that these firms' voluntarily engage in CSR to increase their reputation, to reduce their market risk or to gain competitive advantages.

5.4.3 Independent Variable: Operative CSR Management

H6: There is a positive relationship between CSR and Operative CSR Management.

Hypothesis H6 explores the relationship between CSR and Operative CSR Management. The independent variable was Operative CSR Management (VCSROM) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 16). The degree of Operative CSR Management measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .844). The OLS linear regression indicated that the Operative CSR Management were significant (P-value .001) with an F-value of 5.937.

The R-square was .281 (sufficient in cross-sectional data) with an adjusted R-square of .234 with standard error at 4.04568. Review of the coefficients suggests that the variable Operative CSR Management is significant at p .001 with a standardized t-coefficient of 4.946 and Beta at .080. The positive relationship between the Operative CSR Management and the Index were in accordance to our expectations. We therefore conclude that hypothesis H6 was supported. Hence, the higher a firm rank on the CSR Index, their CSR efforts is to a greater extent managed higher up in their hierarchy. The significance of the hypothesis indicates that these firms coordinate and address CSR at the upper management level (CSR-committee, TMT or Board of Directors) and that they prioritize regular assessment of their CSR efforts displayed by a fixed item on TMT meeting agendas.

5.4.4 Independent Variable: Industrial Standards

H7: There is a positive relationship between CSR and the presence of Industrial Standards (ISO 9000, ISO 14000 and ISO 26000).

Hypothesis H7 explores the relationship between CSR and Industrial Standards. The independent variable was Industrial Standards (VISO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 17). The degree of Industrial Standards measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .738). The OLS linear regression indicated that Industrial Standards were significant (P-value .001) with an F-value of 9.866.

The R-square was .394 with an adjusted R-square of .354 with standard error at 2.75752. Review of the coefficients suggests that the variable Industrial Standards is significant at p .001 with a standardized t-coefficient of 6.435 and Beta at .071. The positive relationship between the Industrial Standards and the Index were in accordance to our expectations. We therefore conclude that hypothesis H7 was supported. Hence, the higher a firm rank on the CSR Index it applies Industrial Standards to a greater extent than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' also use Industrial Standards for waste management (ISO14001), quality (ISO9001) or for CSR (ISO26000) to support their operations in that order.

5.4.5 Independent Variable: CSR Communication Timing

H8a: There is a positive relationship between CSR and CSR Communication (timing).

Hypothesis H8a explores the relationship between CSR and the timing of CSR Communication. The independent variable was CSR Communication Timing (VCommTim) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 18). The degree of CSR Communication Timing measurement was sufficiently valid according to the reliability (consistency) test (Cronbach's Alpha .542). The OLS linear regression indicated that CSR Communication Timing were significant (P-value .001) with an F-value of 9.375.

The R-square was .381 with an adjusted R-square of .341 with standard error at 2.44351. Review of the coefficients suggests that the variable CSR Communication Timing is significant at p .001 with a standardized t-coefficient of 6.274 and Beta at .061. The positive relationship between the CSR Communication Timing and the Index were in accordance to our expectations. We therefore conclude that hypothesis H8a was supported. Hence, the higher a firm rank on the CSR Index it pays greater attention to the timing of CSR Communication than firms ranking lower on the Index. The significance of the hypothesis

indicates that these firms' communicate their CSR efforts or programs as a reactive response to media attention in general, and occasionally in a proactive (preceding) way.

5.4.6 Independent Variable: CSR Communication Design

H8b: There is a positive relationship between CSR and CSR Communication (design).

Hypothesis H8b explores the relationship between CSR and the design of CSR Communication. The independent variable was CSR Communication Design (VCommDes) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 19). The degree of CSR Communication Design measurement was sufficiently valid according to the reliability (consistency) test (Cronbach's Alpha .597). The OLS linear regression indicated that CSR Communication Design were significant (P-value .001) with an F-value of 9.558.

The R-square was .386 with an adjusted R-square of .346 with standard error at 2.53191. Review of the coefficients suggests that the variable CSR Communication Design is significant at p .001 with a standardized t-coefficient of 6.335 and Beta at .064. The positive relationship between the CSR Communication Design and the Index met our expectations; hence, hypothesis H8b was supported. The higher a firm rank on the CSR Index it focuses on CSR Communication Design to a greater extent than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' communicate their CSR efforts or programs in a holistic fashion targeting their customers, products and employees in that order.

5.4.7 IV: Cumulative Variable Internal Orientation (Hii)

Hii: There's a positive relationship between Internal Orientation and CSR.

Hypothesis *Hii* explores the relationship between CSR and Internal Orientation (i.e. the cumulative results from the significant variables Strategic Orientation, Strategic CSR Intent, Operative CSR Management, Industrial Standards and the Timing and Design of CSR Communication). The independent variable was Internal Orientation (VIO) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 20). The degree of Internal Orientation measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .912). The OLS linear regression indicated that Internal Orientation were significant (P-value .001) with an F-value of 9.499.

The R-square was .385 with an adjusted R-square of .344 with standard error at 5.15582. Review of the coefficients suggests that the variable Internal Orientation was

significant at p .001 with a standardized t-coefficient of 6.315 and Beta at .130. The positive relationship between the Internal Orientation and the Index were in accordance to our expectations. We therefore conclude that hypothesis *Hii* was supported.

The higher a firm rank on the CSR Index it is more internally oriented (in terms of strategic orientation, strategic CSR intention, operative CSR management, industrial standards and the timing and design of CSR communication) than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' engage in CSR to increase their reputation, to reduce their market risk or to gain competitive advantages by adapting a long-term perspective on changes in customer demands, adjust their value proposition to exceed customer expectations and predict competitive behaviour. These activities are coordinated at an upper management level (CSR-committee, TMT or Board of Directors). They commonly use industrial standards to support their operations (ISO14001, ISO9001 or ISO26000) and actively plan how to communicate their CSR (reactively) in relation to media attention and design it in a holistic fashion to their customers, employees or in regards to their products.

5.5 Analysis Firm Performance Dependent Variable

This section addresses the Firm Performance variable. First, the instruments (section 4.5 and 4.6) were assessed by investigating inter-variable relationships (bivariate correlations) followed by a reliability (consistency) test to verify that the selected instruments measured the degree of the intended component (e.g. Operating Profit). Second, we conducted OLS regression equations to investigate the relationships between the variables and the Index and its significance. Finally, hypotheses tests were conducted to assess whether the variable modelling was valid, whether the specific variable of interest was significant, and whether the variable of interest was positive to confirm or reject our hypotheses. The computations can be found in section 5.7 for the Firm Performance variable.

Dependent Variable: Firm Performance

Hiii: There's a positive relationship between Firm Performance and CSR.

Hypothesis Hiii explores the relationship between CSR and Firm Performance. The independent variable was Firm Performance (VFP) with CSR as the dependent variable while controlling for industry affiliation, firm size, customer categories and market intensity (Table 21). The degree of Firm Performance measurement was confirmed as valid by the reliability (consistency) test (Cronbach's Alpha .844). The OLS linear regression indicated that Firm Performance were significant (P-value .001) with an F-value of 9.691. The R-square was .389 with an adjusted R-square of .349 with standard error at 3.00003. Review of the coefficients

suggests that the variable Firm Performance was significant at p .001 with a standardized t-coefficient of 6.382 and Beta at .077. The positive relationship between the Firm Performance and the Index were in accordance to our expectations. We therefore conclude that hypothesis Hiii was supported. The higher a firm rank on the CSR Index it has higher Firm Performance than firms ranking lower on the Index. The significance of the hypothesis indicates that these firms' level of financial performance is improved by their CSR efforts in regards to the primary measures operating profit, sales growth and market share. When triangulating the firm performance measures (Table 22) we also found Firm Performance to be significantly related to both ROA (p.001) and Operating Profit (p.001).

5.6 Predictive (Discriminant) Analysis

We engaged in predictive (Discriminant) analysis to assess whether a particular firm's set-up, or characteristics (how a set of variables relate to certain firm level operative structure or behaviour), could be used to predict an Index ranking. This increases academics insight for future research while practitioners (managers and investors) gain improved understanding of what specific 'CSR deliverables' attract investors, the market, the customers, the employees and ultimately lead to a ranking on this particular Index.

5.6.1 Predicting CSR levels (External Orientation)

To assess potential prediction possibilities of the research model, we assessed the individual components that makes up the External Orientation group (Customer Interaction, Customer Orientation and Market Orientation) in relation to a specific firm's settings (how a set of variables relate to certain firm level operative structure or market related behaviour) to increase practitioner and academics understanding of CSR.

These computations increases the robustness of our research and contributes to the establishment of a level of 'CSR-ishness'. We therefore constructed classification equations (for Index positioning) regarding how future respondents' answers can be interpreted in relation to a CSR Index. This enables computations of data collected from additional firms' not listed on the current Index in accordance to their VCI (Customer Interaction), VCO (Customer Orientation) and VMO (Market Orientation) levels. The result would then allow us to assess if a certain operative set-up (for example regarding a specific level of Customer Orientation) could be rewarded with a certain Index position. This given that the additional respondent would be assessed in the same fashion OMX-GES allocate points to the firms currently ranked on the Index.

The classification attempts were successful and enable us to predict whether an additional respondent is more likely to appear among the TOP40 part of the Index (the best in

class) or on the TOP60_100 part of the Index (see section 5.7 for details). We found our predictive model to return the correct classification in 75.6% of the cases indicating a reasonably strong prediction rate (Type I errors 26.1% and Type II errors 22.2%). The variable Customer Orientation (VCO) contributed the most of the external orientation variables at .773 to the Discriminant function.

The second most important variable for the Discriminant function was Market Orientation (VMO) (.271) followed by Customer Interaction (VCI) at .110. This means that VCO, to a greater extent than VMO and VCI, aid in predicting whether a firm with a specific set of External Orientation characteristics is, or will be positioned in the TOP40 part of the Index (the best in class) or the TOP60_100 index (see section 5.7 for details). Hence, it enables us to predict whether a firm with a certain set-up of External Orientation characteristics regarding Customer Interaction, Customer Orientation and Market Orientation could or should belong to a certain position in the GES-OMX Index. As previously stated this is potentially valuable for investors.

5.6.2 Predicting CSR levels (Internal Orientation)

To assess potential prediction possibilities of the research model, we assessed the individual components that makes up the Internal Orientation group (Strategic Orientation, Operative CSR Management, Strategic CSR Intention and Industrial Standards) in relation to a specific firm's settings (how a set of variables relate to certain firm level operative structure or market related behaviour) to increase practitioner and academics understanding of CSR.

These computations increases the robustness of our research and contributes to the establishment of a level of 'CSR-ishness'. We therefore constructed classification equations (for Index positioning) regarding how future respondents' answers can be interpreted in relation to a CSR Index. This enables computations of data collected from additional firms' not listed on the current Index in accordance to their VSO (Strategic Orientation), VCSROM (Operative CSR Management), VCSRINT (Strategic CSR Intentions) or the VISO (Industrial Standards) levels. The result would then allow us to assess if a certain operative set-up (for example the level of Strategic Orientation) could be rewarded with a certain Index position. This given that the additional respondent would be assessed in the same fashion OMX-GES allocate points to the firms currently ranked on the Index.

The classification attempts were successful and enable us to predict whether an additional respondent is more likely to appear among the TOP40 part of the Index (the best in class) or on the TOP60_100 part of the Index (see section 5.7 for details). We found our predictive model to return the correct classification in 84.1% of the cases indicating a strong prediction rate (Type I errors 17.4% and Type II errors 13.9%). The variable Strategic CSR Intention (VCSRINT) contributed the most of the external orientation variables at .827 to the Discriminant function.

The second most important variable for the Discriminant function prediction was Operative CSR Management VCSROM) (.570) followed by Strategic Orientation (VSO) at .203. This means that VCSRINT, to a greater extent than VCSROM and VSO, aid in predicting whether a firm with a specific set of Internal Orientation characteristics is, or will be positioned in the TOP40 part of the Index (the best in class) or the TOP60_100 index (see section 5.7 for details). Hence, it enables us to predict whether a firm with a certain set-up of Internal Orientation regarding Strategic Orientation, Operative CSR Management, Strategic CSR Intent and Industrial Standards could or should belong to a certain position in the GES-OMX Index. As previously stated this is potentially valuable for investors.

5.7 Detailed Analysis of the Research Model and Variables

This section expands on the hypotheses test results described in section 5.3 to 5.6. While the core findings are sufficiently described in these sections (5.3 to 5.6), this section (5.7) displays the foundational computations for all research model variables and the predictive model. The computation results are found in the table section. The computations were performed using SPSS version 19 and in Microsoft Excel Office 2010.

5.7.1 Independent Variable: Customer Interaction (external orientation)

H1: There is a positive relationship between CSR and the degree of Customer Interaction.

The measure Customer Interaction addresses for example the extent firms' have shared project organizations with their customers, whether formal written instructions how to interact with customers are used or if customer interaction is otherwise scheduled or planned. When we computed and analysed the responses to the questions measuring Customer Interaction (questionnaire questions 8-11) they displayed high levels of bivariate correlation. The Customer Interaction Question number 1 (questionnaire question 8) was significantly positively correlated at the 1% level of significance with Customer Interaction questions number 2, 3 and 4 (questionnaire questions 9-11) at r = .296**; R = .351** and r = .339** respectively. The reliability test indicated that these instruments measure the degree of Customer Orientation (Cronbach's Alpha .653).

The overall strong correlation among the questions allowed us to factorise these and create the variable for Customer Interaction. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using more than one factor to explain the variance in Customer Interaction. Preferable Eigen values >1 was detected for Component number 1 (1.975) and Component number 2 (.789). Even though an Eigen value of .789 is <1.00 it is close enough to investigate and treat as

>1.00 since the set of questions is narrow. Together these two components explained almost 70% (69.103%) of the total variation in Customer Interactions.

To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct two variables for Customer Interaction (VCIc1 and VCIc2) using the following equations for the two principal components:

[VCIc1=q1*.663+q2*.053+q3*.877+q4*.487]
[VCIc2=q1*.370+q2*.912+q3*.010+q4*.590]

The different weightings in each component indicate how the questions are grouped across the factors. We found that the Customer Interaction component number 1 (VCIc1) had the greatest weight on the extent firms' have intra-departmental cooperation and shared project organizations with their customers (questionnaire questions 10 and 8). The Customer Interaction component number 2 (VCIc2) placed greater weight on the extent to which firms' have formal written procedures how to interact with their customers or to what extent they have scheduled regular interactions (questionnaire questions 9 and 11). The two components were however not significantly correlated with the Index.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the two rotated components (VCIc1 and VCIc2) with one component (applying one fixed factor instead of extraction based on Eigen values) and named this variable VCI. The principal component equation based on this one factor (as displayed below) was then used to create the variable for the complete Customer Interaction measure (VCI):

[VCI=q1*.740+q2*.647+q3*.660+q4*.756]

The function for the VCI variable could be expressed as an assessment of firms' degree of Customer Interaction. The next step was to compute the bivariate correlation to investigate to what extent the degree of Customer Interaction (VCI) related to the Index variable given that it did not portray a significant relationship when assessed as two principal components. However, the Customer Interaction (VCI) was not found to be significantly correlated with the Index either.

To investigate the relationship between our variable VCI and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques

including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VCI

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 10.710 - .082X_1 - 2.238E\text{-}7X_2 + .450X_3 - 1.494X_4 + .022X_5$$

Se	(1.776)	(.050)	(.000)	(.322)	(3.337)	(.015)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in an insignificant relationship (Beta .022) with a P-value of .163. In conclusion, we did not found support for our first hypothesis. For computation charts see Table 23.

5.7.2 Independent Variable: Customer Orientation (external orientation)

H2: There is a positive relationship between CSR and the degree of Customer Orientation.

The measure Customer Orientation addresses for example firms' activities towards customer satisfaction, customer preferences and customer problem solving approaches. When we computed and analysed the responses to the questions measuring Customer Orientation (questionnaire questions 1-6) they displayed high levels of bivariate correlation. The Customer Orientation question number 1 (questionnaire question 1) was positively correlated at the 1% level of significance with Customer Orientation questions number 2-6 (questionnaire questions 2-6) at r= .472**, r=.360**, r=.527**, r=.474** and r=.386** respectively. The reliability test indicated that these instruments measure the degree of Customer Orientation (Cronbach's Alpha .854).

The overall strong correlation among the questions allowed us to factorise these and create the variable for Customer Orientation. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using more than one factor. Two factors were suggested to explain the variance in Customer Orientation. Preferable Eigen values >1 was detected for Component number 1 (3.511) and an equivalent to an Eigen value >1 for Component number 2 (.909). This was further confirmed by the Scree plot illustration (elbow) indicating the usage of two components. Together these two components explained more than 70% (73.667%) of the total variation in Customer Orientation.

To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (with two fixed factors as displayed in the rotated components matrix). This enabled us to construct two variables for Customer Orientation (VCOc1 and VCOc2) using the following equations for the two principal components:

$$[VCOc1=q1*.631 + q2*.221 + q3*.247 + q4*.714 + q5*.880 + q6*.781]$$

$$[VCOc2=q1*.442 + q2*.901 + q3*.860 + q4*.468 + q5*.139 + q6*.180]$$

The different weightings in each component indicate how the questions are grouped across the factors. We found that the Customer Orientation component number 1 (VCOc1) had the greatest weight on customer preferences and needs and problem solving approaches towards firms' customers (questionnaire questions 1, 4, 5 and 6), while the Customer Orientation component number 2 (VCOc2) placed greater weight on whether customers were

frequently surveyed for emerging needs and that customer satisfaction was the core measure for employees (questionnaire questions 2 and 3).

To extend the analysis and to simplify usage, computation and interpretation, we decided to replace the two rotated components (VCOc1 and VCOc2) with one component (applying one fixed factor instead of extraction based on Eigen values) since we had a relatively high variety of measure questions. We named this variable VCO. The principal component equation based on this one factor (as displayed below) was then used to create the variable VCO:

$$[VCO= q1*.767 + q2*.756 + q3*.749 + q4*.846 + q5*.757 + q6*.709]$$

All of the Customer Orientation measure questions were included in the Factor Analysis and calculated with different levels of importance as displayed by the above weightings. For example, in this case we found that the Customer Orientation measure question number 4 (questionnaire question 4) had the greatest level of importance (.846).

The function for the VCO variable could be expressed as an assessment of firms' tendency to survey their customers to detect future product needs, how they control employee efforts regarding customer satisfaction or if they assume a problem solving approach to their customers' needs expressed as the degree of Customer Orientation. The next step was to compute the bivariate correlation to investigate to what extent the degree of Customer Orientation (VCO) related to the Index variable with the expectation that it should correlate significantly and positively. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' is better than a rank of '100'). The degree of Customer Orientation (VCO) was found to be significantly positively correlated ($r = .637^{**}$ at the 0.01 level of significance) with the Index ranking. Overall this indicates that firms ranking higher on the CSR Index are more customer-oriented than firm's ranking lower on the Index. This is however an associative relationship and not a causal relationship.

To investigate the relationship between our variable VCO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$

Y_1 = VCO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 16.936 - .028X_1 + 2.069E\text{-}7X_2 + .382X_3 - 0.867X_4 + .121X_5$$
$$\text{Se} \quad (2.098) \quad (.060) \quad (.000) \quad (.381) \quad (3.941) \quad (.018)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .121) between the Index and customer orientation indicator VCO at the 1% level of significance with a P-value of .000. The R-square was further strong at .362 which means that 36.2% of the variation in the relationship VCO was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher customer orientation when measured as VCO. The Durbin-Watson statistic was 1.829 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to [$d_u < DW < 2$]).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

H_0: $\beta_i = 0$ for all *i*:1,2,...,6
H_1: $\beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VCO and the Index we conducted a T-test:

T-test:

H_0: $\beta_6 = 0$
H_1: $\beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VCO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

H_0: $\beta_6 = 0$

H_1: $\beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VCO and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.121 unit increase in VCO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VCO increases by between 0.085 and 0.157 units, ceteris paribus. In conclusion, we found support for our second hypothesis. For computation charts see Table 24.

5.7.3 Independent Variable: Market Orientation (external orientation)

H3: There is a positive relationship between CSR and the degree of Market Orientation.

The measure Market Orientation views for example the extent firms' are driven by how customers value a firm's products or if top management assess competitor strengths and weaknesses. When we computed and analysed the responses to the questions measuring Market Orientation (questionnaire questions 12-19) they displayed high levels of bivariate correlation. Market Orientation question number 1 (questionnaire question 12) was positively correlated at the 1% level of significance with Market Orientation questions number 2-8 (questionnaire questions 13-19) at r= .570**; r=.460**; r=.304**; r=.448**; r=.354**; r=.305** and r=.321** respectively. The reliability test indicated that these instruments measure the degree of Market Orientation (Cronbach's Alpha .766).

The overall strong correlation among the questions allowed us to factorise these and create the variable for Market Orientation. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using more than one factor. Three factors were suggested to explain the variance in Market Orientation. Preferable Eigen values >1 was detected for Component number 1 (3.166); Component number 2 (1.246) and Component number 3 (1.200). Together these three components explained more than 70% (70.156%) of the total variation in Market Orientation.

To investigate how these three components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct three variables for Market Orientation (VMOc1, VMOc2 and VMOc3) using the following equations for the three principal components:

[VMOc1=q1*.709+q2*.835+q3*.805+q4*.530+q5*.463+q6*.487+q7*.055+q8*-.077]

[VMOc2= q1*.123+q2*.165+q3*.033+q4*.316+q5*-.222+q6*.644+q7*.910+q8*.278]

[VMOc3= q1*.401+q2*.005+q3*.017+q4*.154+q5*.710+q6*-.115+q7*.182+q8*.880]

The different weightings in each component indicate how the questions are grouped across the factors. We found that the Market Orientation component number 1 (VMOc1) had the greatest weight on how customers value a firms products and services and the degree to which a firm aligns its business strategies with its value creation possibilities (questionnaire questions 12, 13 and 14 of the Market Orientation measure), while the Market Orientation component number 2 (VMOc2) placed greater weight on the extent to which top management assess competitors strengths and weaknesses (questionnaire questions 17 and 18). The Market

Orientation component number 3 (VMOc3) was more heavily weighted on the extent to which a firm exploits competitors' weaknesses and engages in competitive counter attacks (questionnaire questions 16 and 19).

Further computations verified that the Market Orientation component number 1 (VMOc1) was significantly positively correlated (r = .383** at the 0.01 level) with the Index ranking. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' was better than a rank of '100'). The computations also verified that the Market Orientation component number 2 (VMOc2) was significantly positively correlated (r = .392** at the 0.01 level) with the Index ranking. The computation did further display a positive (r = .162) but insignificant relationship between the Market Orientation component number 3 (VMOc3) and the Index ranking when tested for separately.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the three rotated components (VMOc1, VMOc2 and VMOc3) with one component (applying one fixed factor instead of extraction based on Eigen values) and named this variable VMO. The principal component equation based on this one factor (as displayed below) was then used to create the variable VMO:

[VMO=q1*.793+q2*.768+q3*.696+q4*.628+q5*.564+q6*.622+q7*.476+q8*.372]

The function for the VMO variable could be expressed as an assessment of firms' tendency to focus its operations, for example towards customer satisfaction goals, or to what extent they understand how customers value its products and services expressed as the degree of Market Orientation. The next step was to compute the bivariate correlation to investigate to what extent the degree of Market Orientation (VMO) related to the Index variable with the expectation that it should correlate significantly and positively. The degree of Market Orientation (measured as VMO: Variable Market Orientation) was found to be significantly positively correlated (r = .464** at the 0.01 level) with the Index ranking. Overall this indicates that firms ranking higher on the CSR Index are more market oriented than firms ranking lower on the Index. However, these relationships are by association and are not causal relationships.

To investigate the relationship between our variable VMO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$

Y_1 = VMO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 18.550 + .004X_1 + 2.196E\text{-}7X_2 - .088X_3 + 4.1637X_4 + .080X_5$$
$$\text{Se}\quad (2.125)\quad (.060)\qquad (.000)\qquad (.385)\qquad (3.992)\qquad (.018)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .080) between the Index and market orientation indicator VMO at the 1% level of significance with a P-value of .000. The R-square was .249 which means that 24.9% of the variation in the dependent variable VMO was explained by the independent variables. We note that since a high R-square is more important in time-series analysis we view the calculated R-square for this OLS regression as satisfying for this research (being cross-sectional data) indicating sufficient validity. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher market orientation when measured as VMO. The Durbin-Watson statistic was 2.036 which was acceptable being slightly >'2.0' which indicated a minor negative autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

H_0: $\beta_i = 0$ for all i:1,2,...,6
H_1: $\beta_i \neq 0$ for some i:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VMO specifically and the Index we conducted a T-test:

T-test:

H_0: $\beta_6 = 0$
H_1: $\beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VMO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

H_0: $\beta_6 = 0$

H_1: $\beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VMO and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.080 unit increase in VMO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VMO increases by between 0.044 and 0.117 units, ceteris paribus. In conclusion, we found support for our third hypothesis. For computation charts see Table 25.

5.7.4 Cumulative Variable External Orientation

Hi: There's a positive relationship between External Orientation and CSR.

When aggregating the significant External Orientation variables (Customer- and Market Orientation) we found a significant positively correlation between the two variables VCO and VMO at .739** at the 1% level returning a solid Cronbach's Alpha at .847. The strong correlation among the instruments allowed us to factorise these and create an aggregated variable for External Orientation. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using one factor (Eigen value 1.739). This component explained more than 85% (86.934%) of the total variation in External Orientation. The principal component equation based on this one factor (as displayed below) was then used to create the variable VEO:

$$[VEO= q1*.932 + q2*.932]$$

The function for the VEO variable could be expressed as an assessment of firms' level of positioning themselves in regards to Customer- and Market Orientation. To investigate the relationship between our variable VEO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VEO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables was:

$$Y_1 = 6.190 - .023X_1 + 5.736E\text{-}8X_2 + .223X_3 + 1.657X_4 + .058X_5$$
$$\text{Se} \quad (1.004) \quad (.028) \quad (.000) \quad (.182) \quad (1.886) \quad (.009)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .058) between the Index and external orientation indicator VEO at the 1% level of significance with a P-value of .000. The R-square was further strong at .422 which means that 42.2% of the variation in the relationship VEO was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher external orientation towards their customers when measured as VEO. The Durbin-Watson statistic was 1.926 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all i:1,2,...,6
$H_1: \beta_i \neq 0$ for some i:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9A), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VEO specifically and the Index we conducted a T-test:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9B), thus Index variable does influence VEO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9C) meaning that the relationship between the VEO and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.058 unit increase in VEO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VEO increases by between 0.041 and 0.075 units, ceteris paribus. The VEO variable were further found to be significantly positively correlated with the Index (.867**). Overall this indicates that firms ranking higher on the CSR Index are more externally oriented than firm's ranking lower on the Index. This is however an associative relationship and not a causal relationship. In summary, we found support for our first cumulative hypothesis. For computation charts see Table 26.

5.7.5 Independent Variable: Strategic Orientation (internal orientation)

H4: There is a positive relationship between CSR and the degree of Strategic Orientation.

The measure Strategic Orientation targets for example the extent firms' monitor changes in customer demands, align new product offerings customer expectations or attempt prediction of competitor behaviour. When we computed and analysed the responses to the questions measuring Strategic Orientation (questionnaire questions 20-23) they displayed high levels of bivariate correlation. Strategic Orientation question number 1 (questionnaire question 20) was positively correlated at the 1% level of significance with Strategic Orientation questions number 2 and 3 (questionnaire questions number 21-22) at r = .536** and r =.470** respectively. Strategic Orientation question number 4 was only significantly correlated at the 5% level of significance with Strategic Orientation question 3 (r = .229*). For this reason we dropped the Strategic Orientation question number 4. The reliability test indicated that these three instruments measure the degree of Strategic Orientation (Cronbach's Alpha .695).

The overall strong correlation among the questions allowed us to factorise these and create variables for Strategic Orientation. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using more than one factor. Two factors were suggested to explain the variance in Strategic Orientation. This since preferable Eigen values >1 was detected for Component1 (1.911) and for Component2 (1.053). It was further confirmed by the Scree plot illustration (elbow) indicating the usage of two components. Together these two components explained almost 75% (73.095%) of the total variation in Strategic Orientation. We then labelled the two Components 'Variable Strategic Orientation Component' number 1 and 2 (VSOc1 and VSOc2). To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct the variables for Strategic Orientation (VSOc1 and VSOc2) using the following equations for the two principal components:

$$[VSOc1=q1*0.833 + q2*0.847 + q3*.660 + q4*-.017]$$

$$[VSOc2=q1*0.041 + q2*-.101 + q3*.444 + q4*.953]$$

The different weightings in each component indicate how the questions are grouped across the factors. We found that the Strategic Orientation component number 1 (VSOc1) the greatest weight on customer demand development, new product offerings aligned with latest customer expectations and prediction of competitor behaviour (questionnaire questions 20, 21

and 22), while the Strategic Orientation component number 2 (VSOc2) placed greater weight on whether firms' have a preference for market-share over financial goals (questionnaire question 23).

To extend the analysis and to simplify usage, computation and interpretation, we decided to apply one component (due to the Eigen value 1.911) when comparing this variable. The reason being that since the Eigen value for Strategic Orientation component number 2 (1.053) is close to a value of '1' and that the weighting is higher for question number 3 in Strategic Orientation Component number 1 than in Strategic Orientation component number 2 (.660 versus .444), we chose to exclude the second factor and run Strategic Orientation Component number 1 only. Thus we replaced the two rotated components (VSOc1 and VSMOc2) with one component (applying one fixed factor instead of extraction based on Eigen values) and named this variable VSO. The principal component equation based on this factor was used to create the variable Strategic Orientation (VSO):

[VSO=q1*.812 + q2*.787 + q3*.756 + q4*.244]

All of the Strategic Orientation measure questions were included in the Factor Analysis and calculated with different levels of importance as displayed by the above weightings. In this case we found that the Strategic Orientation measure question number 1 (questionnaire question number 20) had the greatest level of importance (.812).

The function for the VSO variable could be viewed as an assessment of firms' tendency to monitor demand development for their customers and prospects and focus on more long-term goals over short-term goals (market share versus financial goals) expressed as the degree of Strategic Orientation. The next step was to compute the bivariate correlation to investigate to what extent the degree of Strategic Orientation (VSO) related to the Index variable with the expectation that it should correlate significantly and positively.

We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' is better than a rank of '100'). To verify our decision to use one component we reviewed all three computations (VSOc1, VSOc2 and VSO) in relation to the Index. The correlation for the two components VSOc1 and VSOc2 were significantly positively correlated at the 1% level of significance with the Index (.626** and .516** respectively). The corresponding degree of Strategic Orientation (measured as VSO: Variable Strategic Orientation) was also significantly positively correlated (r = .441** at the 0.01 level) with the Index ranking. For this reason we find it sufficient since VSO is one of the Internal Orientation components but in isolation not the most important one, thus we confirmed our decision to use Strategic Orientation (VSO) in our computations. Overall this

indicates that firms ranking higher on the CSR Index are more strategically oriented than firm's ranking lower on the Index. This relationship is not causal but by association only.

To investigate the relationship between our variable VSO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VSO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 7.999 + .026X_1 + 7.175E\text{-}8X_2 + .268X_3 + 1.677X_4 + .047X_5$$

Se (1.419) (.040) (.000) (.257) (2.666) (.012)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .047) between the Index and strategic orientation indicator VSO at the 1% level of significance with a P-value of .000. The R-square was .208 which means that 20.8% of the variation in the relationship VSO was explained by the independent variables. We note that since a high R-square is more important in time-series analysis we view the calculated R-square for this OLS regression as satisfying for this research (being cross-sectional data) indicating sufficient validity. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher strategic orientation when measured as VSO. The Durbin-Watson statistic was 2.014 which was acceptable being slightly >'2.0' which indicated a minor negative autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all *i*:1,2,...,6
$H_1: \beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VSO specifically and the Index we conducted a T-test:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9), thus Index variable does influence VSO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9) meaning that the relationship between the VSO and the Index were positive thus in accordance to our hypothesized expectations. For every one unit increase in the Index, there was a 0.047 unit increase in VSO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VSO increases by between 0.023 and 0.071 units, ceteris paribus. In conclusion, we found support for our fourth hypothesis. For computation charts see Table 27.

5.7.6 Independent Variable: Strategic CSR Intent (internal orientation)

H5: There is a positive relationship between CSR and Strategic CSR Intent.

The measure CSR Intention addresses the reasons firms' have to engage in CSR activities, for example risk- or cost reductions or to gain a competitive advantage. When we computed and analysed the responses to the questions measuring CSR Intentions (questionnaire questions 43-46) they displayed high levels of bivariate correlation among the questions. CSR Intention question number 1 (questionnaire question 43) was positively correlated at the 1% level of significance with CSR Intention questions number 2-4 (questionnaire questions 44-46) at r= .580**, r=.345** and r=.356** respectively. The reliability test indicated that these instruments measure the degree of CSR Intentions (Cronbach's Alpha .791).

The overall strong correlation among the questions allowed us to factorise these and create the variable for CSR Intention. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using more than one factor. Two factors were suggested to explain the variance in CSR Intentions. Preferable Eigen values >1 was detected for Component number 1 (2.499) and Component number 2 (.777). Even though an Eigen value of .777 is <1.00 it is close enough to investigate and treat as >1.00 since the set of measure questions is narrow (as indicated in conjunction with the Scree plot). Together these two components explained more than 80% (81.899%) of the total variation in CSR Intentions (compared to a 62.466% explanation should only Component1 be used). We then labelled the two Components 'Variable CSR Intent Component number 1 and 2 (VCSRINTc1 and VCSRINTc2).

To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct two variables for CSR Intent (VCSRINTc1 and VCSRINTc2) using the following equations for the two principal components:

[VCSRINTc1= q1*.163+q2*.355+q3*.872+q4*.882]

[VCSRINTc2= q1*.904+q2*.805+q3*.266+q4*.220]

The different weightings in each component indicate how the questions are grouped across the factors. We found that the CSR Intention component number 1 (VCSRINTc1) the greatest weight on competitive advantage and reputation as the key intent with CSR (questionnaire questions 45 and 46), while the CSR Intention component number 2

(VCSRINTc2) placed greater weight on cost or risk reductions as the key intent with CSR (questionnaire questions 43 and 44).

Further computations verified that the CSR Intention component number 1 (VCSRINTc1) was significantly positively correlated (r = .586** at the 0.01 level) with the Index ranking. We applied Spearman's correlation coefficient since the indexed values were ranked (were a rank of '1' was better than a rank of '100'). The computations also verified that the CSR Intention component number 2 (VCSRINTc2) was significantly positively correlated (r = .630** at the 0.01 level) with the Index ranking.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the two rotated components (VCSRINTc1 and VCSRINTc2) with one component (applying one fixed factor instead of extraction based on Eigen values) and named the variable VCSRINT. The principal component equation based on this one factor (as displayed below) was then used to create the variable VCSRINT:

[VCSRINT=q1*.783+q2*.810+q3*.817+q4*.793]

The function for the VCSRINT variable could be viewed as an assessment of firms' purpose behind their CSR efforts, for example to achieve a competitive advantage, or to reduce risk or to increase firm reputation expressed as the degree of CSR Intentions. The next step was to compute the bivariate correlation to investigate to what extent the degree of CSR Intention (VCSRINT) related to the Index variable with the expectation that it should correlate significantly and positively. The degree of CSR Intention (measured as VCSRINT: Variable CSR Intention) was found to be significantly positively correlated (r = .625** at the 0.01 level) with the Index ranking. Overall this indicates that firms ranking higher on the CSR Index to a greater extent have some specific intention (for example to gain a competitive advantage) with its CSR efforts than firm's ranking lower on the Index. These relationships are by association and are not causal relationships.

To investigate the relationship between our variable VCSRINT and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$

Y_1 = VCSRINT

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 11.625 - .021X_1 + 1.873E\text{-}7X_2 + .178X_3 - 0.202X_4 + .087X_5$$
$$\text{Se} \quad (1.574) \quad (.045) \quad (.000) \quad (.285) \quad (2.956) \quad (.014)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .087) between the Index and CSR Intents indicator VCSRINT at the 1% level of significance with a P-value of .000. The R-square was further strong at .394 which means that 39.4% of the variation in the relationship VCSRINT was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher CSR Intents when measured as VCSRINT. The Durbin-Watson statistic was 1.877 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

H_0: $\beta_i = 0$ for all *i*:1,2,...,6
H_1: $\beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VCSRINT specifically and the Index we conducted a T-test:

T-test:

H_0: $\beta_6 = 0$
H_1: $\beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9), thus Index variable does influence VCSRINT. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

H_0: $\beta_6 = 0$

H_1: $\beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9) meaning that the relationship between the VCSRINT and the Index were positive thus in accordance to our hypothesized expectations. For every one unit increase in the Index, there was a 0.087 unit increase in VCSRINT, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VCSRINT increases by between 0.060 and 0.114 units, ceteris paribus. In conclusion, we found support for our fifth hypothesis. For computation charts see Table 28.

5.7.7 Independent Variable: Operative CSR Management (internal orientation)

H6: There is a positive relationship between CSR and Operative CSR Management.

The measure Operative CSR Management views for example the extent firms' CSR activities are coordinated and decided upon on some group level and the regularity of current status assessment among managers in an organization, that is, the specific set up of CSR management (questionnaire questions 47-49). We also investigated the CSR decision making set up, that is, whether voluntary non-environmental decision making is made by for example the CSR-manager, a committee, the TMT or the CEO or other executive manager (questionnaire questions 50a-m).

When we computed and analysed the responses to the questions measuring Operative CSR Management (questionnaire questions 47-49) they displayed high levels of bivariate correlation. Operative CSR Management question number 1 (questionnaire question 47) was positively correlated at the 1% level of significance with Operative CSR Management questions number 2-8 (questionnaire questions 48-49) at r = .586** and r = .451** respectively. What's noteworthy is that these measure questions had all and individually a significant correlation with the Index (assessed by Spearman's correlation coefficient since the indexed values where ranked). Operative CSR Management questions number 1 and 2 (questionnaire questions 47 and 48) was significantly positively correlated at the 1% level of significance with the Index at r = .544** and r = .410** respectively, while Operative CSR Management question number 3 (questionnaire question 49) was significantly positively correlated at the 0.05 (5%) level of significance (r = .250*).

The reliability test indicated that these instruments measure the degree of Operative CSR management (Cronbach's Alpha .844). The overall strong correlation among the questions allowed us to factorise these in order to create the variable for Operative CSR Management. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using one factor to explain the variance in Operative CSR Management. Preferable Eigen values >1 was only detected for Component number 1 (2.298) explaining more than 75% (76.651%) of the total variation in Operative CSR Management. The second component had an Eigen value of .542 making it unreliable to include in the analysis.

To extend the analysis and to simplify usage, computation and interpretation, we created a variable based on one component. This was suitable due to the combination of a relatively low variety of measure questions, a high level of variable variance explanation (76.615%) and the fact that the second component had an insufficient Eigen value (.542). The principal component equation based on this one factor (as displayed below) was then used to create the variable for Operative CSR Management expressed as VCSROM:

[VCSROM =q1*.782 + q2*.938 + q3*.899]

The function for the VCSROM variable could be expressed as how CSR issues are addressed and decided upon within a firm and the prioritized regularity (importance) management places upon CSR expressed as the degree of Operative CSR Management. We found that the Operative CSR Management (VCSROM) had its strongest weight (.938) on CSR being a fixed topic on Top Management Team agendas (questionnaire question 48) followed by Board level priority (.899) and group structure and coordination (.782) being questionnaire questions 49 and 47 respectively .

The next step was to compute the bivariate correlation to investigate to what extent the degree of Operative CSR Management (VCSROM) related to the Index variable. Since the variable VCSROM evolved around firm level propensity to use group coordination to address CSR or if CSR were a fixed topic on executive meeting agendas, we expected a significant and positive correlation according to our research model. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' is better than a rank of '100'). The degree of Operative CSR Management (measured as VCSROM: Variable CSR Decision Structure) was found to be significantly positively correlated (r = .455** at the 0.01 level) with the Index ranking. Overall this indicates firms ranking higher on the CSR Index are more operative regarding its CSR management efforts than firm's ranking lower on the Index. We remind the reader that this relationship is associative and not causal.

To further verify the above finding we assessed the specifics of CSR decision making. Firms' that have a CSR-manager or a CSR-committee (61.0% and 70.7% of the sample N=82 respectively) utilize them to make decisions regarding their CSR activities (questionnaire questions 50a-m). This comparison regarding CSR decision making reveals that decision making of a CSR manager was positively correlated with the Index at the 5% level of significance (r=.258*). It also reveal that decision making by the Sustainability Manager was positively correlated (r=.347**) with the Index at the 1% level of significance.

We further found that in firms where the owners or other managers were said to make the CSR decisions (instead of than dedicated CSR managers, CSR committees, TMT's or the CEO) the marketing manager were participating in CSR decision making. This was positively correlated r=.307** and r=.488** at the 1% level of significance (with the 'owners' and 'other managers' category respectively). In contrast, when CSR managers, TMT's or the CEO were making CSR decisions then the marketing manager were absent (r=-.250*, r=-.421** and r=-.321** respectively). We also note that the frequency analysis yield that CSR-committee's do not make voluntary non-environmental CSR decisions (82.9% of the sample)

while the CSR-managers do in 36.6% of the sample firms. The majority of the non-environmental CSR decisions are taken by the TMT (70.7% of the sample firms).

To investigate the relationship between our variable VCSROM and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VCSROM

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 7.868 - .001X_1 - 6.204E\text{-}7X_2 - .607X_3 + 1.742X_4 + .080X_5$$

Se	(1.877)	(.053)	(.000)	(.340)	(3.527)	(.016)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .080) between the Index and Operative CSR Management indicator VCSROM at the 1% level of significance with a P-value of .000. The R-square was .281 which means that 28.1% of the variation in the relationship VCSROM was explained by the independent variables. We note that since a high R-square is more important in time-series analysis we view the calculated R-square for this OLS regression as satisfying for this research (being cross-sectional data) indicating sufficient validity. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher Operative CSR Management when measured as VCSROM. The Durbin-

Watson statistic was 1.935 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to [d_u < DW < 2]).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all *i*:1,2,...,6
$H_1: \beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VCSROM specifically and the Index we conducted a T-test:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VCSROM. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VCSROM and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.080 unit increase in VCSROM, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VCSROM increases by between 0.048 and 0.112 units, ceteris paribus. In conclusion, we found support for our sixth hypothesis. For computation charts see Table 29.

5.7.8 Independent Variable: Industrial Standards (internal orientation)

H7: There is a positive relationship between CSR and the presence of Industrial Standards (ISO 9000, ISO 14000 and ISO 26000).

The measure Industrial Standards addresses if a firm has successfully implemented a standard for quality (ISO9001), for waste management (ISO14001) or for CSR (ISO26000). When we computed and analysed the responses to the questions measuring Industrial Standards (questionnaire questions 29-31) they displayed high levels of bivariate correlation. Industrial Standards question number 1 (questionnaire question 29) was positively correlated at the 1% level of significance with Industrial Standards questions number 2 and 3 (questionnaire questions 30 and 31) at r= .604** and r=.337** respectively. Industrial Standards question number 2 (ISO14001) was also found to be significantly positively correlated at the 1% level of significance (r = .523**) with Industrial Standards question number 3 (ISO26000).

It is further noteworthy that all of the Industrial Standards questions were separately significantly correlated with the Index. The correlation was significantly positive at the 1% level of significance with Industrial Standards question number 1 ISO9001 (r = .321**); Industrial Standards question number 2 ISO 14001 (r = .480**) and Industrial Standards question number 3 ISO26000 (r = .519**). The reliability test indicated that these instruments measure the degree of Industrial Standards (Cronbach's Alpha .738).

The overall strong correlation among the questions allowed us to factorise these and create the variable for Industrial Standards. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further. The Principal Component analysis suggested using one factor to explain the variance in Industrial Standards. Preferable Eigen values >1 was detected for Component number 1 (1.985). This component explained a moderate 66.162% of the total variation in Industrial Standards.

Even though the Eigen values firmly suggested using one component we proceeded with our investigation to increase the explanation of total variance in regards to Industrial Standards (using two components would explain 88.426%). Even though an Eigen value of .668 (for component number 2) is <1.00 it is close enough to investigate and treat as >1.00 since the set of questions in narrow (also indicated by the Scree plot). To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct two variables for Industrial Standards (VISO1c and VISO2c) using the following equations for the two principal components (we remind the reader that q1, q2 and q3 below refer to questions 29, 30 and 31 respectively on the questionnaire):

[VISO1c = q1*.943 + q2*.740 + q3*.186]

[VISO2c = q1*.103 + q2*.496 + q3*.962]

The different weightings in each component indicate how the questions are grouped across the factors. We found that the Industrial Standards component number 1 (VISO1c) had the greatest weight on whether firms' had successfully implemented ISO9001 or ISO14001 (questionnaire questions 29 and 30), while the Industrial Standards component number 2 (VISO2c) placed greater weight on whether firms' had successfully implemented ISO26000 (questionnaire question 31). Further computations verified that the Industrial Standard component number 1 (VISO1c) was significantly positively correlated (r = .627** at the 0.01 level) with the Index ranking. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' is better than a rank of '100'). It also verified that the Industrial Standard component number 2 (VISO2c) was significantly positively correlated (r = .521** at the 0.01 level) with the Index ranking.

We further note that a higher variable value for VISO1c would indicate an increased focus on that CSR communication is necessary and should be reactive (responsive) in relation to a specific event, while a high variable value for VISO2c would indicate that CSR communication are necessary but should be proactive (preventative) in relation to a specific event. In contrast, should the values be low for both variables it would indicate that the matter of CSR communication is not perceived as necessary and something not needed to be planned either in a reactive or proactive fashion.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the two rotated components (VISO1c and VISO2c) with one component (applying one fixed factor instead of extraction based on Eigen values) and named this variable for Industrial Standards VISO. The principal component equation based on this one factor (as displayed below) was then used to create the variable VISO:

[VISO = q1*.800 + q2*.888 + q3*.746].

The function for the VISO variable could be viewed as an assessment of firms' level of adaptation of an Industrial Standard expressed as the degree of Industrial Standards implementation. We found that the Industrial Standards (VISO) had its strongest weight on ISO14000 environmental standard (.888); ISO9000 quality standard (.800) and the new ISO26000 standard for CSR (.746). The next step was to compute the bivariate correlation to

investigate to what extent the degree of Industrial Standard (VISO) related to the Index variable with the expectation that it should correlate significantly and positively. The degree of Industrial Standard (measured as VISO: Variable Industrial Standard) was found to be significantly positively correlated (r = .619** at the 0.01 level) with the Index ranking. Overall this indicates that firms ranking higher on the CSR Index have to a greater extent successfully implemented an Industrial Standards than firms ranking lower on the Index. These relationships are associations and not causal relationships.

To investigate the relationship between our variable VISO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VISO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 8.350 - 0.027X_1 + 1.261E\text{-}7X_2 + 0.134X_3 + 0.906X_4 + 0.071X_5$$

Se (1.279) (0.36) (.000) (.232) (2.404) (0.11)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .071) between the Index and Industrial Standards indicator VISO at the 1% level of significance with a P-value of .000. The R-square was .394 which means that 39.4% of the variation in the relationship VISO was explained by the independent

variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher Industrial Standards when measured as VISO. The Durbin-Watson statistic was 1.887 indicates some positive autocorrelation being under <'2.0' (according to [$d_u < DW < 2$]).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all i:1,2,...,6
$H_1: \beta_i \neq 0$ for some i:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VISO specifically and the Index we conducted a T-test:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VISO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VISO and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a .071 unit increase in VISO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VISO increases by between .049 and .093 units, ceteris paribus. In conclusion, we found support for our seventh hypothesis. For computation charts see Table 30.

5.7.9 Independent Variable: CSR Communication Timing (internal orientation)

H8a: There is a positive relationship between CSR and CSR Communication (timing).

The measure CSR Communication Timing addresses when CSR is communicated to the market place. For example if it is communicated in a proactive (preceding) or reactive (responsive) way in relation to media attention. We treat this as an Internal Orientation component since any market communication must be activated from within an organization to occur in a situation where it is triggered from outside an organization.

When we computed and analysed the responses to the questions measuring CSR Communication Timing (questionnaire questions 53-55) they displayed high levels of bivariate correlation. CSR Communication Timing question number 1 (questionnaire question 53) was positively correlated at the 1% level of significance with CSR Communication Timing questions number 2 and 3 (questionnaire questions 54 and 55) at r =.333** and r = .388** respectively. The CSR Communication Timing questions 2 and 3 were found to be insignificantly yet positively correlated (r = .128).

What's noteworthy is that the CSR Communication Timing measure questions 1 and 2 (questionnaire questions 53 and 54) had a significant correlation with all of the CSR Communication Design questions assessed in Hypothesis 7b (questionnaire questions 56, 57 and 58). This is noteworthy in that it indicated that all communication towards customers and employees and in relation to products was proactive and not reactive. The correlation between the CSR Communication Timing question number 1 (questionnaire question 53) and the CSR Communication Design questions number 1 and 2 were significant at the 1% level of significance (r = .344**; r = .361** respectively) and at the 5% level for CSR Communication Design question number 3 (r = .249*). The correlation for the CSR Communication Timing question number 2 (questionnaire question 54) and CSR Communication Design questions 1, 2 and 3 were all significant at the 1% level of significance at r = .380**; r = .535** and r = .402* respectively. The reliability test indicated that these instruments measure the degree of CSR Communication Timing (Cronbach's Alpha .542).

The overall strong correlation among the questions allowed us to factorise these and create the variable for CSR Communication Timing. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further. The Principal Component analysis suggested using one factor to explain the variance in CSR Communication Timing. Preferable Eigen values >1 was detected for Component number 1 (1.579). This component explained a moderate 52.637% of the total variation in CSR Communication Timing.

Even though the Eigen values firmly suggested using one component we proceeded with our investigation to increase the explanation of total variance in regards to CSR Communication Design (using two components would explain 81.750%). Even though an

Eigen value of .873 (for component number 2) is <1.00 it is close enough to investigate and treat as >1.00 since the set of questions was narrow (also indicated by the Scree plot). To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct two variables for CSR Communication Timing (VCommTim1c and VCommTim2c) using the following equations for the two principal components (we remind the reader that q1, q2 and q3 below refer to questions 53, 54 and 55 respectively on the questionnaire):

$$[VCommTim1c = q1*.678 + q2*.055 + q3*.920]$$

$$[VCommTim2c = q1*.483 + q2*.953 + q3*-.041]$$

The different weightings in each component indicate how the questions are grouped across the factors. We found that the CSR Communication Timing component number 1 (VCommTim1c) had the greatest weight on having CSR communicated in a reactive way (questionnaire question 3), while the CSR Communication Timing component number 2 (VCommTim2c) placed greater weight on whether CSR was communicated in a proactive way (questionnaire question 2). We further note that a higher variable value for VCommTim1c would indicate an increased focus on that CSR communication is necessary and should be reactive (responsive) in relation to a specific event, while a high variable value for VCommTim2c would indicate that CSR communication are necessary but should be proactive (preventative) in relation to a specific event. In contrast, should the values be low for both variables it would indicate that the matter of CSR communication is not necessary and not needed to be planned either in a reactive or proactive fashion.

Further computations verified that the CSR Communication Timing component number 1 (VCommTim1c) was significantly positively correlated (r = .511** at the 0.01 level) with the Index ranking. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' was better than a rank of '100'). The computations also verified that the CSR Communication Timing component number 2 (VCommTim2c) was significantly positively correlated (r = .650** at the 0.01 level) with the Index ranking.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the two rotated components (VCommTim1c and VCommTim2c) with one component (applying one fixed factor instead of extraction based on Eigen values) and named the variable for CSR Communication Timing VCommTim. The principal component equation based on this one factor (as displayed below) was then used to create the variable VCommTim:

[VCommTim = q1*.832 + q2*.633 + q3*.698]

The function for the VCommTim variable could be assessed as the point in time when CSR issues are addressed, for example in a situation that forces a firm to respond to some external pressure expressed as the degree of CSR Communication Timing. We found that the CSR Communication Timing (VCommTim) had the greatest weight on CSR being event driven (.832) followed by reactive communication (.698) and proactive communication (.633). We noted that this variable (VcommTim) had almost a perfect correlation (.999**) with the variable for CSR Communication Design (VCommDes) as displayed in Hypothesis 7b. Since the variable for CSR Communication Timing (VCommTim1c) address that firms' does communicate their CSR efforts and the variable for CSR Communication Design (VCommTim2c) address who they communicate with (customers or employees or in regards to their products) and firms' almost always select to communicate a particular issue (here their CSR efforts) to a specific target group, we conjecture the high level of correlation to be natural.

We further note that a higher variable value could indicate an increased importance of 'when' to communicate, for example when a specific event occurs. That is, a low variable value could indicate that firms' disagree that they communicate their CSR efforts because of, or in relation to, a specific or planned event. Thus, the communication would in such cases be random, non-specific and sporadic.

The next step was to compute the bivariate correlation to investigate to what extent the degree of CSR Communication Timing (VCommTim) related to the Index variable. Since the variable VCommTim addresses firms' trigger point when to communicate CSR related issues, for example in a reactive or proactive way, we expected a significant and positive correlation in accordance with our research model. The degree of CSR Communication Timing (measured as VCommTim: Variable Communication Timing) was found to be significantly positively correlated (r = .613** at the 0.01 level) with the Index ranking. Overall this indicates that firms ranking higher on the CSR Index places greater value to the issue of timing of its CSR communication than firms ranking lower on the Index. However, these relationships are by association and are not causal relationships.

To investigate the relationship between our variable VCommTim and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$

Y_1 = VCommTim

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$Y_1 = 7.512 - .023X_1 + 8.978E\text{-}8X_2 + .132X_3 + 1.130X_4 + .061X_5$
Se (1.134) (.032) (.000) (.206) (2.130) (.010)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .061) between the Index and CSR Communication Timing indicator VCommTim at the 1% level of significance with a P-value of .000. The R-square was further strong at .381 which means that 38.1% of the variation in the relationship VCommTim was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher CSR Communication Timing when measured as VCommTim. The Durbin-Watson statistic was 1.866 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive.

F-test:

H_0: $\beta_i = 0$ for all *i*:1,2,...,6
H_1: $\beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VCommTim specifically and the Index we conducted a T-test:

T-test:

H_0: $\beta_6 = 0$
H_1: $\beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VCommTim. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

H_0: $\beta_6 = 0$

H_1: $\beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VCommTim and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.061 unit increase in VCommTim, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VCommTim increases by between 0.042 and 0.081 units, ceteris paribus. Hence, our eight (8a) hypothesis was supported. For computation charts see Table 31.

5.7.10 Independent Variable: CSR Communication Design (internal orientation)

H8b: There is a positive relationship between CSR and CSR Communication (design).

The measure CSR Communication Design addresses how CSR is communicated. For example if it is communicated in a holistic way to customers and employees or in regards to firm's products. We treat this as an Internal Orientation component since any communication content must be activated from within an organization to occur and directed towards the receiving (internal or external) Stakeholder. When we computed and analysed the responses to the questions measuring CSR Communication Design (questionnaire questions 56-58) they displayed high levels of bivariate correlation. CSR Communication Design question number 1 (questionnaire question 56) was positively correlated at the 1% level of significance with CSR Communication Design questions number 2 and 3 (questionnaire questions 57 and 58) at r = .390** and r = .391** respectively. The CSR Communication Design questions 2 and 3 were also found to be significantly positively correlated at the 5% level of significance (r = .233*).

What's noteworthy is that all of the CSR Communication Design measure questions (questionnaire questions 56, 57 and 58) had a significant correlation with CSR Communication Timing questions 1 and 2 assessed in Hypothesis 7a (questionnaire questions 53 and 54). This is noteworthy in that it indicated that all communication towards customers and employees and in relation to products was proactive and not reactive. The correlation between the CSR Communication Design question number 1 and CSR Communication Timing questions 1 and 2 were significant at the 1% level of significance (r = .344** and r = .380* respectively). The correlation between CSR Communication Design question number 2 and CSR Communication Timing questions number 1 and 2 was also significant at the 1% level (r = .361** and r = .535* respectively). The CSR Communication Design question number 3 had a significant positive correlation with CSR Communication Timing question 1 at the 0.05 level (r = .249*) and at the 0.01 level for the correlation with CSR Communication Timing question number 2 (r = .402**). The reliability test indicated that these instruments measure the degree of CSR Communication Design (Cronbach's Alpha .597).

The overall strong correlation among the questions allowed us to factorise these to create the variable for CSR Communication Design. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using one factor to explain the variance in CSR Communication Design. Preferable Eigen values >1 was detected for CSR Communication Design Component number 1 (1.681). This component explained a moderate 56.017% of the total variation in CSR Communication Design.

Even though the Eigen value firmly suggested using one component we proceeded with our investigation to increase the explanation of total variance in regards to CSR Communication Design (using two components would explain 81.596%). Even though an Eigen value of .767 (for component number 2) is clearly <1.00 it is close enough to investigate and treat as >1.00 since the set of questions was narrow (also indicated by the Scree plot). To investigate how these two components were different in regards to their weightings we rotated them using Varimax rotation (as displayed in the rotated components matrix). This enabled us to construct two variables for CSR Communication Design (VCommDes1c and VCommDes2c) using the following equations for the two principal components (we remind the reader that q1, q2 and q3 below refer to questions 56, 57 and 58 respectively on the questionnaire):

$$[\text{VCommDes1c} = q1*.579 + q2*.066 + q3*.941]$$

$$[\text{VCommDes2c} = q1*.576 + q2*.942 + q3*.065]$$

The different weightings in each component indicate how the questions are grouped across the factors. We found that the CSR Communication Design component number 1 (VCommDes1c) had the greatest weight on product specific CSR Communication Design (questionnaire question 3), while the CSR Communication Design component number 2 (VCommDes2c) placed greater weight on whether CSR is communicated in a holistic way to its employees (questionnaire question 2). We further note that a higher variable value for VCommDes1c would indicate an increased focus on that CSR communication should be product related towards customers in a holistic fashion, while a high variable value for VCommDes2c would indicate that CSR communication design should be designed to cover employees as well. In contrast, should the values be low for both variables it would indicate that the matter of CSR communication design is not necessary and a matter to be randomly composed without concern for target audience or content.

Further computations verified that the CSR Communication Design component number 1 (VCommDes1c) was significantly positively correlated (r = .516** at the 0.01 level) with the Index ranking. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' was better than a rank of '100'). The computations also verified that the CSR Communication Design component number 2 (VCommDes2c) was significantly positively correlated (r = .637** at the 0.01 level) with the Index ranking.

To extend the analysis and to simplify usage, computation and interpretation, we replaced the two rotated components (VCommDes1c and VCommDes2c) with one component (applying one fixed factor instead of extraction based on Eigen values) and named this variable for CSR Communication Design VCommDes. The principal component equation based on this one factor (as displayed below) was then used to create the variable VCommDes:

$$[VCommDes = q1*.817 + q2*.712 + q3*.712]$$

The function for the VCommDes variable could be expressed as the comprehensiveness of CSR communication content (being holistic or not) towards products, customers or employees expressed as the degree of CSR Communication Design. We found that the CSR Communication Design (VCommDes) had its strongest weight on if customer communications were holistic (r = .817) followed by if product-, or employee communication (r = .712) was holistic (general and non-specific). We noted that this variable (VCommDes) had almost a perfect correlation (.999**) with the variable for CSR Communication Timing (VCommTim) assessed in Hypothesis 7a. A potential reason for this high level of correlation is discussed in the Hypothesis 7a section.

The next step was to compute the bivariate correlation to investigate to what extent the degree of CSR Communication Design (VCommDes) related to the Index variable. Since the variable VCommDes addressed how CSR is communicated, for example if it is communicated in a holistic way to customers and employees or in regards to firm's products, we expected a significant and positive correlation in accordance with our research model. The degree of CSR Communication Design (measured as VCommDes: Variable CSR Communication Design) was found to be significantly positively correlated (r = .617** at the 0.01 level) with the Index ranking. This indicates that firms ranking higher on the CSR Index make more effort to design its CSR communication in a specific fashion (i.e. holistic) than firms ranking lower on the Index. These relationships are however not causal but associative.

To investigate the relationship between our variable VCommDes and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$

Y_1 = VCommDes

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 7.750 - .024X_1 + 1.013E\text{-}7X_2 + .131X_3 + 1.050X_4 + .064X_5$$
$$\text{Se}\ \ (1.175)\ \ (.033)\qquad (.000)\qquad (.213)\qquad (2.207)\qquad (.010)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .064) between the Index and CSR Communication Design indicator VCommDes at the 1% level of significance with a P-value of .000. The R-square was further strong at .386 which means that 38.6% of the variation in the relationship VCommDes was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher CSR Communication Design when measured as VCommDes. The Durbin-Watson statistic was 1.874 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

H_0: $\beta_i = 0$ for all i:1,2,...,6
H_1: $\beta_i \neq 0$ for some i:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VCommDes specifically and the Index we conducted a T-test:

T-test:

H_0: $\beta_6 = 0$
H_1: $\beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VCommDes. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

H_0: $\beta_6 = 0$

H_1: $\beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VCommDes and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.064 unit increase in VCommDes, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VCommDes increases by between 0.044 and 0.084 units, ceteris paribus. In conclusion, we found support for our eight (8b) hypothesis. For computation charts see Table 32.

5.7.11 Variable Internal Orientation

Hii: There's a positive relationship between Internal Orientation and CSR.

When aggregating the significant Internal Orientation variables (Strategic Orientation, Operative CSR Management, Strategic CSR Intention, Industrial Standards and CSR Communication Timing and Design) we found an overall significant positive correlation between the variables (see correlation chart below). This returned a Cronbach's Alpha of .912. The strong correlation among these two instruments allowed us to factorise these and create an aggregated variable for Internal Orientation. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using one factor (Eigen value 4.621). This component explained more than 75% (77.009%) of the total variation in Internal Orientation. The principal component equation based on one factor was used to create the variable VIO:

[VIO= q1*.725 + q2*.472 + q3*.978 + q4*.985 + q5*.986 + q6*.987]

The function for the VIO variable could be expressed as an assessment of firms' level of orient themselves in regards to their Strategic Orientation, CSR Operative Management, CSR Intention, CSR Communication and Design and by applying Industrial Standards. To investigate the relationship between our variable VIO and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VIO

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 19.318 - .026X_1 + 2.185E\text{-}7X_2 + .417X_3 - 1.459X_4 + .130X_5$$
$$\text{Se}\ \ (2.392)\quad (.068)\qquad (.000)\qquad (.434)\quad (4.494)\quad (.021)$$

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .127) between the Index and internal orientation indicator VIO at the 1% level of significance with a P-value of .000. The R-square was further strong at .385 which means that 38.50% of the variation in the relationship VIO was explained by the independent variables. We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher internal orientation towards their customers when measured as VIO. The Durbin-Watson statistic was 1.839 which was acceptable being slightly <'2.0' which indicated a minor positive autocorrelation (according to $[d_u < DW < 2]$).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all i:1,2,...,6
$H_1: \beta_i \neq 0$ for some i:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one of our regression variables were significant. Since we're interested in the relationship between the VIO specifically and the Index we conducted a T-test:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VIO. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VIO and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.130 unit increase in VIO, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VIO increases by between 0.089 and 0.171 units, ceteris paribus. The VIO variable were further found to be significantly positively correlated with the Index (.600**). Overall this indicates that firms ranking higher on the CSR Index are more externally oriented than firm's ranking lower on the Index. This is however an associative relationship and not a causal relationship. In summary, we found support for our second cumulative hypothesis. For computation charts see Table 33.

5.7.12 Analysis Variable Firm Performance

Hiii: There's a positive relationship between Firm Performance and CSR

The Firm Performance measure addresses managerial views of firms' performance in relation to their competition assessed in terms of operating profit, sales growth and market share. When we computed and analysed the responses to the questions measuring Firm Performance (questionnaire questions 28 a-c) they displayed high levels of bivariate correlation among the questions. Operating Profit (questionnaire question 28a) was positively correlated at the 1% level of significance with the Sales Growth and Market Share questions (questionnaire questions 28b and c) at r= .664** and r= .478** respectively. The Sales Growth and Market Share questions were also significantly positively correlated with each other at r= .721**. The reliability test indicated that these instruments measure the degree of Firm Performance (Cronbach's Alpha .844).

The overall strong correlation among the questions allowed us to factorise these and create the variable for Firm Performance. We therefore conducted unrotated Factor Analysis with Principal Components as the method of extraction to investigate these relationships further and gain deeper insight. The Principal Component analysis suggested using one factor to explain the variance in Firm Performance. Preferable Eigen values >1 was only detected for Component number 1 (2.329) explaining more than 75% (77.632%) of the total variation in Firm Performance.

To extend the analysis and to simplify usage, computation and interpretation, we created a variable based on one component. This was suitable due to the combination of a relatively low variety of measure questions, a high level of variable variance explanation (77.632%) and the fact that the second component had an insufficient Eigen value (.483). The principal component equation based on this one factor (as displayed below) was then used to create the variable for Firm Performance expressed as VFP:

$$[VFP = q1*.831 + q2*.938 + q3*.871]$$

The function for the VFP variable could be expressed as how executive managers perceive their firm in relation to their competitors in terms of operating profit, sales growth and market share expressed as the degree of Firm Performance. We found that Firm Performance (VFP) had its strongest weight (.938) on sales growth followed by market share (.899) and operating profit at .831 (questionnaire questions 28b, 28c and 28a respectively).

The next step was to compute the bivariate correlation to investigate to what extent the degree of Firm Performance (VFP) related to the Index variable. Since the variable VFP

evolved around primary (managerial views) firm performance data collection, we expected a significant and positive correlation according to our research model. We applied Spearman's correlation coefficient since the indexed values where ranked (were a rank of '1' is better than a rank of '100'). The degree of Firm Performance (measured as VFP: Variable Firm Performance) was found to be significantly positively correlated (r=.616** at the 0.01 level) with the Index ranking. Overall this indicates that firms' ranking higher on the CSR Index are perceived by their managers as having better firm performance than firms ranking lower on the Index. We remind the reader that this relationship is associative and not causal. To investigate the relationship between our variable VFP and the Index we constructed an Ordinary Least Square (OLS) regression model using multivariate techniques including control variables (CV) for industry affiliation (CV1), firm size (CV2), customer categories (CV3) and market intensity (CV4). The construct and setting lead to an OLS regression equation where:

$$Y_1 = B_1 + B_2X_1 + B_3X_2 + B_4X_3 + B_5X_4 + B_6X_5$$

Y_1 = VFP

B_1 = Intercept

X_1 = CV1 Industry Affiliation

X_2 = CV2 Firm Size

X_3 = CV3 Customer Category

X_4 = CV4 Market Intensity

X_5 = Index

The extracted regression equation including the above control variables is:

$$Y_1 = 9.078 - .030X_1 + 1.414E\text{-}7X_2 + .132X_3 + .873X_4 + .077X_5$$

Se	(1.392)	(.040)	(.000)	(.252)	(2.615)	(.012)

We applied the Durbin-Watson (DW) statistic to test for autocorrelation and used the 'Enter' method. We further applied a probability of 'F' at entry 0.05 and removal at 0.10 as a linear regression option setting. The above linear regression equation resulted in a significant positive relationship (Beta .077) between the Index and Firm Performance indicator VFP at the 1% level of significance with a P-value of .000. The R-square was .389 which means that 38.9% of the variation in the relationship VFP was explained by the independent variables.

We interpret the relationship for this particular data set as indicative that firms ranking higher on the Index also have higher Firm Performance when measured as VFP. The Durbin-Watson statistic was 1.883 which was acceptable being <'2.0' which indicated a minor positive autocorrelation (according to [d_u < DW < 2]).

We then tested our hypothesis using the below constructs to assess: i) whether our model was significant (valid) as indicated by that at least one of the regression variables was significant by using the F-test; ii) whether our specific variable of interest was significant; and by using the T-test; and iii) whether our specific variable of interest was positive, that is, in accordance with our hypothesized expectation.

F-test:

$H_0: \beta_i = 0$ for all *i*:1,2,...,6
$H_1: \beta_i \neq 0$ for some *i*:1,2,...,6

The F-test displayed that the Null hypothesis was rejected (see Table 9a), thus our model is valid since at least one regression variable were significant. Since we're interested in the relationship between the VFP specifically and the Index we conducted a T-test where:

T-test:

$H_0: \beta_6 = 0$
$H_1: \beta_6 \neq 0$

The T-test displayed that the Null hypothesis was rejected (see Table 9b), thus Index variable does influence VFP. To assess whether this relationship is positive in accordance to our hypothesis we tested that our T-statistic value is greater than ' 0':

$H_0: \beta_6 = 0$

$H_1: \beta_6 > 0$

This test displayed that the Null hypothesis was rejected (see Table 9c) meaning that the relationship between the VFP and the Index were positive thus in accordance to our hypothesized expectations (Table 9d). For every one unit increase in the Index, there was a 0.077 unit increase in VFP, ceteris paribus. In summary we can claim with 95% confidence that for every one unit increase in the Index, VFP increases by between 0.053 and 0.101 units, ceteris paribus. We conclude that firm performance hypothesis *Hiii* was supported. For computation charts see Table 34.

5.7.13 Predicting CSR levels (external orientation)

As stated above it is important to assess whether the combined independent variables that are part of the External Orientation group relate to the CSR Index. When the individual components that makes up the External Orientation group (Customer Interaction, Customer Orientation and Market Orientation) are assessed in relation to a specific firms settings (how a set of variables relate to certain firm level operative structure or behaviour) it increases practitioner and academics understanding of CSR.

These computations increased the robustness of our research and contributed to the establishment of a level of 'CSR-ishness'. In turn this can aid prediction attempts regarding how future respondent's answers can be interpreted in relation to the Index. For example, once a set of classification equations have been constructed (for Index positioning) we can collect data from firms outside the current index and compute their responses in accordance to their VCO (Customer Orientation), their VCI (Customer Interaction) or their level of VMO (Market Orientation) and put these answers (scores) into the classification equations.

The result would then allow us to assess if a certain operative set-up will reward a certain Index ranking or position. We're therefore examined the extent to which a certain set of firm structure variables (for example the level of Customer Orientation) could predict whether a firm could be placed on the Index should they be assessed in the same fashion OMX-GES allocate points to the ranked firms that currently exist on the Index.

To construct classification equations for prediction attempts (for example if a firm with a specific level of Market Orientation will be positioned on a specific section of the Index) we first needed to split the Index into a TOP40 (Index position number 1-40) and a TOP60_100 (Index position number 41-100). For hypotheses testing we defined the Discriminant Analysis of the TOP40 to be = 1, and the TOP60_100 part of the Index to be = 0 in our hypotheses testing. The equation was based on the variables Customer Interaction (VCI), Customer Orientation (VCO) and Market Orientation (VMO). Thus, we created a binary dependent group variable for the Index and named it INDEX_SPLIT(0 1) and compared it with the independent variables VCI, VCO and VMO.

For the computation we applied the settings for Box's M-test with Fisher's function coefficient and Wilk's Lambda. Box's M-test investigated homogeneity of the variance covariance matrices, Fisher's test regarded the statistical significance when sample sizes are relatively small (here N=82) while Wilk's Lambda assessed whether the covariance matrices were equal. The first step was to test the first assumption, namely that the Discriminant Analysis had multivariate normality in that our data was normally distributed. Our hypothesis test for Box's M-test was designed as:

H_0: Cov.Matrices1 = Cov.Matrices2
H_1: Cov.Matrices1 ≠ Cov.Matrices2

As the Box's P-value associated with this test was 0.015 we failed to reject the null hypothesis (H_0 hypothesis) at < alpha 1% (α 0.01) level of significance. We therefore concluded that the variance covariance matrices were homogenous (had equal population variance covariance), satisfying our first assumption. This positive result enabled us to proceed to test for the second assumption. The second assumption regarded whether there were a statistical difference between the two test groups (the TOP40 and the TOP60_100). We examined the following hypothesis test using Wilk's Lambda where:

H_0: Top40 = Top60_100
H_1: Top40 ≠ Top60_100

As the Wilk's Lambda associated with this test was 0.000 (the P-value) we rejected the null hypothesis (H_0 hypothesis) at < alpha 1% (α 0.01) level of significance. We therefore concluded that the two groups were heterogeneous in population. Thus, our second assumption was satisfied as well. This translated into that there indeed was a difference between the two groups. Firms that belonged to the Top40 part of the Index were different from firms belonging to the lower TOP60_100 part of the Index. Due to this positive result we could then use the standardized canonical Discriminant function coefficients which displayed which factors contributed the most to the difference. The calculated coefficients (values) were .773, .110 and .271 for VCO, VCI and VMO respectively.

This indicated that the variable Customer Orientation (VCO) contributed the most (.773) to the Discriminant function meaning that VCO were the most important of the three external orientation subgroups. The second most important variable for the Discriminant function were Market Orientation (VMO) delivering a value of .271 followed by Customer Interaction (VCI) at .110. This means that VCO, to a greater extent than VMO and VCI, aid in predicting whether a firm with a specific set of External Orientation characteristics is, or will be positioned in the TOP40 part of the Index.

According to the Classification Function Coefficients, the analysis derived two classification equations we could use to effectively discriminate between two groups. The classification equations were labelled f_0 and f_1 where f_0 represented the TOP60_100 of the Index, and f_1 represented the TOP40 part of the Index:

$$f_0 = -14.554 + .460VCO + .450VCI + .637VMO$$
$$f_1 = -22.516 + .680VCO + .489VCI + .719VMO$$

These equations allowed us to predict whether a new respondent are more likely to appear among the TOP40 part of the Index or on the TOP60_100 part of the Index. In such a case we can calculate these three factors (VCI, VCO and VMO) to substitute into these equations thus predicting if they would belong to the TOP40 or not. For example, if an additional firm that currently are not awarded an Index position (that is, they are not positioned on the Index by OMX-GES who construct the Index) provided us with their questionnaire responses, and we compute these responses in accordance to the VCI, VCO and VMO variables we could then put these computed answers into the above equations. This would then return a higher value for one of the equations (for example f_1) thus predicting that such firm would or could belong among the TOP40 Index. However, in order to enable this we had to cross validate group cases to assess how strong such a prediction would be.

When computing the classification results for cross validation of Type I errors (those who should get a 0 but was predicted to get 1) we found it to be 26.1%. This means that some firms predicted to be positioned in the TOP60_100 part of the Index were instead positioned in the TOP40. The computation regarding cross validation of Type II errors (those who should get a 1 but was predicted to get 0) were 22.2%. This means that some firms predicted to be positioned in the TOP40 section of the Index were instead positioned in the TOP60_100 section of the Index.

Among all cases in the original group 75.6% were correctly classified. When cross validating group cases using the 'leave out one procedure' we had 75.6% cases correctly classified. This indicated a reasonably strong prediction rate. In turn this enables us to later predict whether a firm with a certain set of External Orientation characteristics regarding Customer Interaction, Customer Orientation and Market Orientation could or should belong to a certain position in the GES-OMX Responsibility Index where the strongest contributor is Customer Orientation (.773). As previously stated this model is potentially valuable for investors. For computation charts see Table 35.

5.7.14 Predicting CSR levels (internal orientation)

As stated above it is important to assess whether the combined independent variables that are part of the Internal Orientation group relate to the CSR Index. When the individual components that makes up the Internal Orientation group (Strategic Orientation, Operative CSR Management, CSR Intention and Industrial Standards) are assessed in relation to a specific firms settings (how a set of variables relate to certain firm level operative structure or behaviour) it increases practitioner and academics understanding of CSR.

These computations increased the robustness of our research and contributed to the establishment of a level of 'CSR-ishness'. In turn this can aid prediction attempts regarding how future respondent's answers can be interpreted in relation to the Index. For example, once a set of classification equations have been constructed (for Index positioning) we can collect data from firms outside the current index and compute their responses in accordance to their VSO (Strategic Orientation), their VCSROM (Operative CSR Management), their VCSRINT (CSR Intentions) or their level of VISO (Industrial Standards) and put these answers (scores) into the classification equations.

The result would then be that we can assess if a certain operative set-up will reward a certain Index ranking or position. We therefore examined the extent to which a certain set of firm structure variables (for example the level of Strategic Orientation) could predict whether a firm could be placed on the Index should they be assessed in the same fashion OMX-GES allocate points to the ranked firms that currently exist on the Index.

To construct classification equations for prediction attempts (for example if a firm with a specific level of Strategic Orientation will be positioned on a specific section of the Index) we needed to divide the Index into a TOP40 (Index position number 1-40) and a TOP60_100 (Index position number 41-100). For hypotheses testing we defined the Discriminant Analysis of the TOP40 to be = 1, and the TOP60_100 part of the Index to be = 0 in our hypotheses testing. The equation was based on the variables Strategic Orientation (VSO), Operative CSR Management (VCSROM), CSR Intention (VCSRINT) and Industrial Standards (VISO). Thus, we created a binary dependent group variable for the Index and named it INDEX_SPLIT(0 1) and compared it with the independent variables VSO, VCSROM, VCSRINT and VISO.

For the computation we applied the settings for Box's M-test with Fisher's function coefficient and Wilk's Lambda. Box's M-test assessed homogeneity of the variance covariance matrices, Fisher's test regarded the statistical significance when sample sizes are relatively small (here N=82) while Wilk's Lambda assessed whether the covariance matrices were equal. The first step was to test the first assumption, namely if the Discriminant Analysis had multivariate normality in that our data was normally distributed. Our hypothesis test for Box's M-test was designed as:

H_0: Cov.Matrices1 = Cov.Matrices2
H_1: Cov.Matrices1 ≠ Cov.Matrices2

As the Box's P-value associated with this test was 0.293 we failed to reject the null hypothesis (H_0 hypothesis) at < alpha 1% (α 0.01) level of significance. We therefore concluded that the variance covariance matrices were homogenous (had equal population), satisfying our first assumption. This positive result enabled us to proceed to test for the second assumption. The second assumption regarded whether there were a statistical difference between the two test groups (the TOP40 and the TOP60_100). We examined the following hypothesis test using Wilk's Lambda where:

H_0: Top40 = Top60_100
H_1: Top40 ≠ Top60_100

As the Wilk's Lambda associated with this test was 0.000 (the P-value) we rejected the null hypothesis (H_0 hypothesis) at < alpha 1% (α 0.01) level of significance. We therefore concluded that the two groups were heterogeneous in population. Thus, our second assumption was satisfied as well. This translated into that there were a difference between the two groups. Firms that belonged to the Top40 part of the Index were different from firms belonging to the lower TOP60_100 part of the Index. Due to this positive result we could then use the standardized canonical Discriminant function coefficients which displayed which factors contributing the most to the difference. The calculated coefficients (values) were .203, .570, .827 and -.295 for VSO, VCSROM, VCSRINT and VISO respectively.

This indicated that the variable CSR Intention (VCSRINT) contributed the most (.827) to the Discriminant function meaning that VCSRINT was the most important of the four external orientation subgroups. The second most important variable for the Discriminant function was Operative CSR Management (VCSROM) delivering a value of .570 followed by Strategic Orientation (VSO) at .203. The variable Industrial Standards (VISO) did not contribute to the Discriminant function (-.295). This means that VCSRINT to a greater extent than VCSROM and VSO aid in predictions whether a firm with a specific set of External Orientation characteristics is, or will be positioned in the TOP40 part of the Index.

According to the Classification Function Coefficients, the analysis derived two classification equations we can use to effectively discriminate between two groups. The classification equations were labelled f_0 and f_1 where f_0 represented the TOP60_100 of the Index, and f_1 represented the TOP40 part of the Index:

f_0 = -11.598 + .638VSO + .371VCSROM + 1.062VCSRINT -.001VISO
f_1 = -20.935 + .753VSO + .613VCSROM + 1.463VCSRINT -.001VISO

These equations allowed us to predict whether a new respondent was more likely to appear among the TOP40 part of the Index or on the TOP60_100 part of the Index. This means that we could calculate these four factors (VSO, VCSROM, VCSRINT and VISO) to substitute into these equations thus predicting if they would belong to the TOP40 or not. For example, if an additional firm that currently are not awarded an Index position (that is, they are not positioned on the Index by OMX-GES who construct the Index) provided us with their questionnaire responses, and we computed their responses in accordance to the VSO, VCSROM, VCSRINT and VISO variables we could then put these computed answers into the above equations. This would then return a higher value for one of the equations (for example f_1) predicting that the particular firm would or could belong to the TOP40 Index. However, in order to enable this we had to cross validate the group cases to assess how strong such a prediction would be.

When computing the classification results for cross validation of Type I errors (those who should get a 0 but was predicted to get 1) we found it to be 17.4%. This means that some firms predicted to be positioned in the TOP60_100 part of the Index was instead positioned in the TOP40. The computation regarding cross validation of Type II errors (those who should get a 1 but was predicted to get 0) were 13.9%. This means that some firms predicted to be positioned in the TOP40 section of the Index was instead positioned in the TOP60_100 section of the Index.

Among all cases in the original group 84.1% were correctly classified. When cross validating group cases using the 'leave out one procedure' we have 82.9% cases correctly classified. This indicated a reasonably strong prediction. In turn this enabled us to later predict if a firm with a certain set of Internal Orientation characteristics regarding Strategic Orientation (VSO), Operative CSR Management (VCSROM), CSR Intention (VCSRINT) and Industrial Standards (VISO) could or should belong to a certain position in the GES-OMX Responsibility Index where the strongest contributor is CSR Intention (.827). As previously stated this model is potentially valuable for investors. Computations see Table 36.

5.8 Qualitative Data Assessment

Once the quantitative research was completed we reviewed the qualitative pre-research component in relation to the research questions. We found that all the respondents (100%) engaged in CSR for reputation building purposes and to simultaneously gain some competitive advantage, usually making it easier to win contracts (research question 1). We also found that measuring the effects for CSR remains to be generally difficult (research question 2). In regards to the implementation and alignment of CSR (research question 3) we discovered that the majority (66%) of the respondents firms' have informal procedures and decision making. They also proactively selected their CSR communication targets (research question 4).

When we assessed the qualitative research in relation to the external orientation hypotheses (hypotheses 1, 2 and 3) we found that the interview respondents subjectively focused more on being customer oriented (83%) than being preoccupied with how to interact with their customers. This was found to have the same support in the quantitative research component. We also found that 50% of the respondents opted to be market oriented (for example, how to be more innovative and less concerned with the competitors activities).

Two of the internal orientation hypotheses (hypotheses 4 and 5) revealed that every interview respondents (100%) subjectively concentrated on the development and provision of solutions reflecting their customer's needs (hypothesis 4). They further had a specific strategic intent with their CSR efforts such as reputation building or risk reductions (hypothesis 5). We further found that the majority (83%) of the interview respondents focused more on the timing issues of CSR communication (hypothesis 8a) than the design of it (hypothesis 8b).

All of these findings were in accordance to our expectations from the literature review. Hence, our research context displayed commonly perceived best-practices in regards to CSR. The overall responses in relation to both the research questions and the hypotheses are summarized in the below table.

Interview number:	Research Question (RQ) number:										Hypotheses (H) number:									
	1*				2*		3*		4*		H1	H2	H3	H4	H5	H6	H7	H8a	H8b	H9
	Cost	Risk	Reputation	Comp.Adv.	Objective	Subjective	Formal	Informal	Targeted	General	Cust.Int.	Cust.Ori.	Mkt.Ori.	Stg.Ori.	Stg.Int.	OPMGMT	Ind.Std.	Comm'tim	Comm'Dest.	VFP
1. Alpha	-	✓	✓	✓	-	✓	-	✓	✓	-	✓	-	-	✓	✓	-	N/A	✓	-	N/A
2. Bravo	-	✓	✓	✓	-	✓	-	✓	✓	-	✓	✓	✓	✓	✓	-	N/A	✓	✓	N/A
3. Charlie	-	✓	✓	✓	✓	-	✓	-	-	✓	✓	✓	✓	✓	✓	✓	N/A	-	-	N/A
4. Delta	-	-	✓	✓	✓	-	✓	-	✓	-	-	✓	-	✓	✓	-	N/A	✓	✓	N/A
5. Echo	-	✓	✓	-	-	✓	-	✓	-	✓	-	✓	-	✓	✓	✓	N/A	✓	-	N/A
6. Foxtrot	-	-	✓	✓	✓	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	N/A	✓	✓	N/A
											External Ori.			Internal Ori.				CSR-Com		Firm Perf.

RQ 1*: presence of strategic intent
RQ 2*: measure of goal achievement
RQ 3*: presence of implementation/alignment structure
RQ 4*: intention to tell the market place

RQ#1: Why do firms engage in CSR?
RQ#2: What are the outcomes of CSR for those firms who engage in it?
RQ#3: How do firms structure their CSR activities (making them operative)?
RQ#4: How are CSR activities and outcomes communicated?

In the above table we highlight that all the respondents engaged in CSR for reputational reasons (research question 1) by adjusting their internal orientation to cover a defined strategic CSR intent (hypothesis 5). Hence, the responding firms claimed reputation to be the focal reason to undertake CSR before cost- and risk reductions. They also stressed that the overall strategic orientation (hypothesis 4) deliverables evolved around regular monitoring the development of current and prospective customer demand; ensuring that product offerings were aligned with the latest customer demands; predictive competitor behaviour and balancing long-term market goals with short-term financial goals.

Other common traits among the respondents (83%) regarded CSR as a mean to achieve competitive advantages (research question 1) by adjusting their external orientation regarding customer orientation (hypothesis 2). The latter referred to focusing on customer satisfaction, customer preference assessments and problem solving approaches towards their business customers. They also placed great emphasises on the timing of CSR communication (hypothesis 8a) with a preference for being reactive (responding to media attention).

In summary, we found that both the pre-assessment and the post-assessment of the qualitative research component provided complementary insight to our quantitative research. We found the pre-assessment to be in accordance with our expectations from the literature review. We also found that the post-assessment supported the findings from the quantitative research.

6.0 Restatement of Research Purpose

Since CSR has an impact on the strategic management field (Drucker, 1984; Mintzberg, 1983; Porter, 2008; Porter & Kramer, 2006) and is considered to be a core business function central to a firm's strategy (Carroll & Shabana, 2010; Ramchander, et al., 2012), it continues to be an important research field. It is further an increasingly applied practice for firms worldwide today (Carroll & Shabana, 2010; Kang, 2009; Moon & deLeon, 2007; Porter, 2008; Reid & Toffel, 2009) and a long-term investment that can lead to competitive advantages (Carroll & Shabana, 2010; Kang, 2009; KPMG, 2011; McWilliams & Siegel, 2000; McWilliams & Siegel, 2011; Orlitzky, et al., 2003; Porter & Kramer, 2006).

The intentions with this research were therefore to extend the understanding of CSR for academics and practitioners. This was achieved by researching CSR from a strategic management perspective with a market orientation. The research further discussed the underlying strategic reasons and managerial practices regarding CSR enablement (operationalization), how CSR were aligned with firm objectives, and how CSR were communicated.

As recommended, we have answered the call to research CSR in relation to the immediate stakeholder, the customer (Harrison, et al., 2010; Wood, 2010) as they are the prime provider of revenue and the reason for firms' to exist. We therefore addressed how to interact with them operatively (Du, et al., 2010). Although all types of CSR relate to customers, the outcomes, issues and inter-relationships with them have largely been ignored in CSR research (Gadenne, et al., 2009; Lee, 2008; Maak, 2008; Simpson, et al., 2007). CSR had further not been overly assessed prior to this research in regards to operative CSR management (Walls, et al., 2012). We therefore selected to research CSR in light of the Market Orientation theory to progress research and enhance understanding amongst practitioners. We further embraced the recommendation to investigate CSR from a strategic perspective since the unit of analysis has shifted from macro-social impact to the organizational level. For this reason, this research does not focus on CSR impact on society but instead on how firms interact with the market from an external and internal perspective (orientation). In conclusion, this research provides clarity to those practitioners (managers) who find it challenging how to implement CSR, how to make CSR operative and how to align it with strategic objectives.

For the above reasons this research: a) investigated CSR; b) used preliminary data from surveys and interviews (in combination with secondary data); c) assessed a broad range of industries (instead of a specific industry); d) applied the Market Orientation theory perspective; e) focused on customers due to the focus on strategic management; f) examined firms' methods regarding CSR communication, g) investigated external and internal strategic reasons (as opposed to ethical reasons) behind undertaking CSR, and h) predicted CSR levels based on firm level characteristics.

We researched publicly traded MNE's in Sweden to accommodate previous research suggestions to assess a broader, more open and practitioner oriented context. This since Swedish firms are among the world leaders in regards to CSR (KPMG, 2011; Swedish-Institute, 2009; Zadek & MacGillivray, 2008). We also combined primary and secondary information as it was advised to use multiple sources for quality and robustness reasons (Bansal & Roth, 2000). Based on the literature review we designed our core research questions to address: 1) why firms voluntarily engaged in CSR; 2) what the outcomes of CSR were for those firms who engaged in it; 3) how firms structured their CSR activities (making them operative), and 4) how the CSR activities and outcomes were communicated.

The answer to the first research question displayed that firms engage in CSR voluntarily as they aspired to gain a competitive advantage (55.3% of the respondents), to increase their reputation among general stakeholders (74.4% of the respondents) and to reduce their market risks (53.6% of the respondents). This was also displayed by the supported hypotheses H4 and H5.

Our qualitative pre-research further revealed that firms engaging in CSR voluntarily attracted better talented employees without paying higher than industry average salaries, and that their recruitment processes were completed faster. They further achieved improved market reputation, increased their attraction power regarding new business opportunities and in general conjectured to have reduced their market risks. We also found triangulated support (hypotheses Hiii) that firms engaging in CSR also improved their performance.

The responses regarding the third research question revealed that a certain operative structure (orientation) existed among firms that voluntarily engaged in CSR in our research context (as displayed in their index rankings). We found that regardless if firms applied CSR formally (for example in form of dedicated organizational positions for CSR) or informally (by delegating CSR matters to business managers) they used group coordination to address CSR issues initiated by and with support of the TMT. While a minority of firms used a CSR committee (17.1%) for decision making, most of them used the CSR manager (36.6%) or the TMT (70.7%) as the group coordination tool to effectuate their CSR efforts. In accordance to the literature review we also found that having CSR as a fixed topic on TMT agendas were a common operative solution (39.0% of the responding firms). Our computations (hypotheses H6) also supported the above statements.

Regarding the fourth research question we found that firms that voluntarily engaged in CSR initiatives took communication thereof seriously. The majority (65.8% of the respondents) of firms exposed to an event that needed CSR induced communication were typically responding after the fact (being reactive), while the rest (34.2%) assumed a more strategic pose towards CSR communication and proactively preceded media attention. In accordance to the literature review, most firms (64.8% of the respondents) did communicate CSR in a holistic fashion with their customers or their employees. This was further supported by our hypotheses H8a and H8b.

We also found that traditional media still was preferred among the respondents for both internal (98.8%) and external (97.6%) communication regarding CSR. Corporate websites and press releases by far superseded all other media types as the preferred vehicle of communication. However, one third of all responding firms also used new media types for internal and external CSR communication (internal: 39.0% blogs, 17.1% Facebook and external: 36.6% blogs, Facebook 28.0%).

In addition to the research questions, we investigated whether our model could be utilized for predictive attempts (as stated in the scope of research section 1.4 h). Our predictive Discriminant analysis investigated whether a particular firm's set-up regarding the external- and internal orientation characteristics could be used to predict the level of CSR (as indicated by a rank on the Index). We established an ability to predict what levels of external- and internal orientation efforts firms' (currently excluded from the Index) need in order to qualify for a certain Index position. That is, in terms of how much to engage in each of the areas Customer Orientation and Market Orientation (the external orientation characteristics) and in Strategic CSR Intention, Operative CSR Management and Strategic Orientation (the internal orientation characteristics).

We found our predictive model to return the correct classification in 75.6% of the cases regarding the External Orientation characteristics, and in 84.1% of the cases regarding the Internal Orientation characteristics. In turn, this increases the robustness of our research and improves managerial and employee understanding of how to implement CSR. This is further potentially valuable for investors and market analysts assessing responsibility levels among target investments.

In summary, this research met its research targets and adds value by enhancing both academics and practitioners understanding of CSR. This research also provides advice how managers can structure (orient) their firms to excel in CSR initiatives and outcomes. It further displays how a certain composition of organizational orientations can affect or predict whether a firm will be perceived (ranked) as having more or less CSR by investors and the market place.

6.1 Theoretical Implications

The market orientation (MO) theory is a business philosophy (Kohli & Jaworski, 1990) that addresses how organizations adapt to, and serve, their customer environment to develop competitive advantages (Hurley & Hult, 1998; Liao, et al., 2010; Slater & Narver, 2000). MO related competitive advantages (for example increased customer loyalty) can similar to CSR arise from closer ties with customers (Hyvönen & Tuominen, 2007) or a positive reputation (Kirca, et al., 2005).

CSR and MO also share the pillars of the marketing concept, that is, to be customer oriented and to coordinate their interaction with the marketplace. The proposition of the MO theory is basically that firm level success depends on how successful the TMT and individual managers are in managing their customer relationships (Deshpandé, et al., 1993; Freeman, 1984; Kohli & Jaworski, 1990; Ruekert, 1992). The theory also stress that managers should distinctly communicate the intended value, how they want to interact with their customers and what type of relationships they want with them (Freeman, et al., 2004b; Kohli & Jaworski, 1990).

With our research based on Reukert's (1992) definition of MO (an organization that obtains and uses information from customers; develops a strategy which will meet customer needs; and implements its strategy by being responsive to customer's needs and wants) we found that our hypotheses and interviews support this theory in all these aspects. The theoretical implication and recommendations then becomes that more CSR research should be based on MO as a foundational theory. We suggest that previous research based on other theories could be reassessed in light of MO to create new CSR derived knowledge. There are several reasons for this.

First, the quantitative respondents stated that they indeed lead by example regarding CSR. This is further a core tenet for MO where firms need to build trust and reputation (Kohli & Jaworski, 1990). Thus, we state that there is an intercept between strategic management, CSR and MO.

Second, we remind the reader (section 2.2.3) that the three commonalities between MO and CSR (some organizational function that develop an understanding of customers' current and future needs; internal and external communication; and activities or programs targeting a selection of customer needs) were both part of our research model (section 3.7) and is omnipresent in our analysis.

Third, it is pervasive in both the MO and the CSR literature that profitability is a consequence of their deployment rather than a part of it (Kohli & Jaworski, 1990). For instance improved brand image, improved reputation and enhanced customer relationships can all lead to positive financial results (Du, et al., 2010; Kirca, et al., 2005) yet sometimes be difficult to pin point as the exact source of financial results.

Fourth, CSR and MO are integrated with strategic management in that the strategic planning process explicitly considers customer needs and wants (Ruekert, 1992). Finally, organizations need to have a culture with strong norms regarding learning from customers to be successful (Brady & Cronin, 2001; Gebhardt, et al., 2006; Lam, et al., 2010). Just like CSR benefit of being embedded in a firm's values and beliefs, MO also benefit from this approach, thus, both can become reinforced by the organization (Deshpandé, et al., 1993). In conclusion, CSR and MO firms are more attractive to customers (Barnett, 2007) and provide internal strategic benefits for the firms embracing it.

The three hypothesis relating to external orientation could, or perhaps even should, by nature be less related to CSR specifically in that all firms' have various levels of customer focus regardless if they engage in CSR or not. In regards to theoretical implications, the lack of support for the first hypothesis (the relationship between CSR and Customer Interaction) indicate that the inclusion of Customer Interaction might not be optimal for CSR research due to its objective nature. This since the measure addressed if a firm for example had shared project organizations with their customers or if their customer interactions were scheduled. Since these practices are not exclusively related to CSR and CSR goes beyond direct interaction with a specific customer or a group of customers, it was not surprising that the hypothesis result were random with the only visible effect located at the centre of the Index.

The second hypothesis displayed a stronger relation to theory. As Customer Orientation is more subjective, customers could perceive CSR efforts as positive from spill over effects. Customer surveys (regarding future product needs), employee engagement (regarding customer satisfaction) or problem solving approaches to customers' needs for example, are all relationship- and reputation building interactions. Since these are core for all CSR efforts we conclude that customer orientation provided a good fit with CSR from a theoretical perspective. We also found support for this argument in the Discriminant (predictive) analysis and by our hypotheses testing (H2).

Further, with the perception of MO being an important and closely related theoretical foundation for CSR research, we included MO as one of our external orientation components (hypothesis). The inclusion was supported by our third hypothesis (H3). Thus, we addressed firms' tendency to focus its operations for example towards customer satisfaction goals or to what extent firms understood how their customers valued their products and services. As both customer- and market orientation are subjective and holistic (non-specific), we claim them suitable for CSR and our theoretical concept thus recommend them to be included in future CSR research. In conclusion, external orientation (H2 and H3) was confirmed as having a significant and positive relationship with CSR.

The set of hypotheses relating to Internal Orientation were more directly related with CSR (displayed as the confirmation of hypotheses H4, H5, H6, H7, H8a and H8b). The fourth hypothesis (Strategic Orientation) highlights for example firms' tendency to focus on long-term goals versus short-term goals (market share versus purely financial goals). This indicates that reputation and risk reduction efforts (being both long-term and market related) connect CSR with firms' strategic orientation.

One of the most distinct links between CSR and the strategic management field were present in our fifth hypothesis (strategic CSR intent). The specific reasons for firms to engage in CSR were stated as need fulfilment in form of increased reputation, competitive advantage or risk reduction. Indicatively, firms that have high levels of CSR had to a greater extent one or several of these strategic intentions. We therefore conclude that these two components (Strategic Orientation and Strategic CSR Intent) are theoretically vital and should be included

in future CSR research. This was also supported by the Discriminant (predictive) analysis where strategic CSR intent was the most powerful predictor of high levels of CSR.

Firms that have specific strategic intentions (for example risk reduction) with their CSR efforts must therefore take various managerial decisions to implement it, for instance in regards to customer policies (as previously discussed) or other operative deliverables. This leads to the question of how to manage CSR initiatives or programs (our sixth hypothesis). When investigating the degree of operative CSR management (the location of decision making and prioritization of CSR matters in an organization) we found that a vast majority of firms used their TMT to address CSR matters. We also found that the presence of a CSR committee or a dedicated CSR manager was positively (yet insignificantly) correlated to our applied index.

While we could interpret that the TMT assumes the CSR responsibility because it is important to the firm (supported and, or effectuated by, the CSR manager or the CSR committee), we could also interpret that TMT's do not perceive CSR as important enough to employ a dedicated manager to tend to it. Regardless, firms that have a strategic intent with their CSR efforts and are present on the Index, assign CSR to be important enough to include it as a reoccurring topic on the TMT- or board meeting agendas regain conjunction with a dedicated CSR manager or CSR committee. We therefore recommend investigating CSR management (operative or structural) further in future research.

We further found that the implementation of industrial standards (being an additional set of operative choices) also portray a good theoretical fit with CSR (our seventh hypothesis). Though the relation between our CSR context and the presence of ISO14001 (an international environmental standard) or ISO9001 (an international quality standard) certifications were strong, it could be coincidental since these two standards are generally common across industries. However, the presence of the industrial standard for CSR (ISO26000) should logically not be coincidental in this research context. Since the ISO26000 is recently launched few, if any, firms have yet implemented it. We recommend that industrial standards should remain as part of future CSR research.

Communication in various forms is a generally important or even vital activity for most firms' it's relevant to note that communication of CSR is particularly important. Previous research claim that for CSR to deliver any of the potential strategic benefits, customers must have noted and understood that a specific firm do something they perceive as good and right. It is therefore important that CSR communication is not delivered in a suboptimal fashion, or communicated in excess as this can lead to the perception of being self-serving. This could yield negative and adverse effects for the firm and counter the purpose of applying CSR strategically.

Our hypotheses regarding CSR communication were for these reasons divided into a design component and a timing component (our eight hypotheses). To investigate whether

firms communicate their CSR proactively or reactively in relation to media attention (timing), or whether firms design their CSR communication to be holistic or specific (regarding products, customers and employees) is therefore important to include in future CSR research. In conclusion, internal orientation was confirmed as having a significant and positive relationship with CSR.

The firm performance hypothesis (hypothesis Hiii) continues to be a topic of interest for researchers and practitioners alike. As many academics and practitioners maintain the view that CSR must provide a return in order to be worthwhile, they strive for quantifiable return on investments (ROI). While this view echoes throughout previous CSR research, recent research distinctly claim that the quest for quantifiable ROI of CSR investments should be abandoned. These researchers repeat three core arguments for the exclusion of firm performance in CSR research.

The first argument regards that firm performance should be excluded since CSR is a tacit and long-term concept and as such difficult to measure in terms of quantifiable performance. The second argument regards that quantifiable performance should only be investigated in selected research contexts. The third argument claims that other accepted management disciplines exist (for example branding and R&D) that in some contexts can be difficult to quantify in terms of ROI. Yet, these are widespread nevertheless and often researched without relation to firm performance. One suggested way to complement the opposing views (whether to include firm performance in CSR research or not) is to assess managerial views of performance (primary data collection) and, or, to triangulate where possible to induce a more open ended approach to firm performance in CSR research.

In our research context, the triangulation of primary and secondary firm performance measures provided us with a more robust insight regarding the relationship with CSR. We found that Firm Performance (measured with primary data) indicated a significant and positive relationship with the Index thus supporting our Firm Performance hypothesis (Hiii). Since firm performance was also supported by the triangulation with secondary data (Table 22), we contribute this finding as important for future research. The positive relationship between Firm Performance and the Index indicates that firms ranking higher on the CSR Index also have higher Firm Performance than firms ranking lower on the Index. Given the difficulties to extract primary data (and compare it with valid secondary data) in every research context, we join the researchers that view strategic CSR as a concept that should generally be assessed with caution in regards to quantifiable firm performance.

Finally, our predictive attempts were successful. The Discriminant analysis computations enabled us to also use our research model to predict the level of CSR in firms. Hence, additional quantitative data collection could in conjunction with our model be used to predict whether a firm would be positioned high, medium or low on the Index. This could optimally assist academics and practitioners in their elaborations of what specific

organizational attributes they need to implement, or excel in, to attract market- and stakeholder attention and ethical investor liking.

We found the correctness of our predictive classifications to exceed 75% for the external orientation variables. This also held when cross validation was completed which translates into that the accuracy of the prediction was very strong. In our sample we found that Customer Orientation (VCO) followed by Market Orientation (VMO) aid in predicting whether a firm with a specific set of External Orientation characteristics is, or will be positioned in the TOP40 part of the Index (the best in class), or the TOP60_100 index. In turn this allow us to advice what specific activities regarding Customer Orientation or Market Orientation firms should focus on to mirror the best in class firms regarding CSR.

For the internal orientation variables our correct predictive classification reached 84%. Since this was also the case after the cross validation it translates into a very strong predictive accuracy. In our sample we found that Strategic CSR Intent (VCSRINT) followed by Operative CSR management (VCSROM) and Strategic Orientation (VSO), aid in predicting whether a firm with a specific set of Internal Orientation characteristics is, or will be positioned in the TOP40 part of the Index (the best in class) or the TOP60_100 index. This allows us to detect what specific activities regarding Strategic Orientation, Strategic CSR Intentions, Operative CSR Management and Industrial Standards firms should focus on to mirror the CSR top performers. Given that investors interested in firms with a strong ethical reputation can use our predictive model for investment purposes, we recommend further research to address this potential.

6.2 Managerial Implications

On the topic of managerial implications we start with highlighting an important aspect. The suggested CSR categorization model as proposed by Carrol and Shabana (2010) was confirmed for our research context covering Swedish firms. Thus, we achieved another of our research targets in that we provided practitioners with advice regarding the enablement of CSR based on best practices (as supported by our research). We were also able to demonstrate why practitioners should increase their resource allocation towards CSR and optimally what market analysts could assess when investing in, for example, mutual funds containing firms with strong CSR profiles, and, or ethical or sustainable profiles.

First, we engaged in quantitative research to advance MO based research since most of the MO research up to date has been qualitative in nature. Second, our quantitative research component collected primary data in form of questionnaire derived responses. Third, the link between the literature review, the research model and the results were robust. Fourth, we have to a great extent overcome one of the previously highlighted challenges with CSR research, namely that manager's struggle with operative implementation. This since we

brought clarity to how top performing firms (in regards to CSR) structure (orient) themselves externally and internally in relation to their core stakeholder (the customers).

Finally, when assessing Carrol's model that suggests to investigate CSR in relation to: (1) cost and risk reduction; (2) strengthening legitimacy and reputation; (3) shaping competitive advantages; and (4) creating win–win situations through mutual value creation with customers, we find multiple support that this were the case for the Swedish sample firms. This held for both the quantitative perspective (the research model) and the pre-research qualitative investigation (section 5.1). For example that benefits derived from CSR can have positive effects on employee recruitment and retention (competitive advantages), or that the predictive analysis revealed what settings of firm level characteristics that potentially lead to a certain level of CSR (strengthening legitimacy and reputation among market analysts).

We found that all four of the above model categorization areas were present in our sample, and were actively pursued among the responding firms. We also found that this led to higher rankings in the applied CSR Index.

Other relationships regarding managerial implications and CSR were found among the external orientation components. First, customer interaction effects were not present at the top or the bottom of the comparative Index. It was however present in a bell curve shape at the centre of the Index. Here we found that firms' in that spectrum had shared project organizations with their customers, had formal written procedures how to interact with customers and had direct cooperation (intra-departmental) with their customers. This was the core reason why we could not support the hypothesis (a significant and positive relationship between customer interaction and the Index). It would be worth further investigation to assess why not at least the top ranking CSR firms displayed a relationship with customer interaction.

Second, the sample firms had a specific strategic intent behind their CSR efforts. These intentions were focused around increased reputation, competitive advantages or reduced risk in that order. Thus, executives proposing to engage in some CSR initiatives could use our findings as supportive arguments regarding potential outcomes (in terms of direct- and indirect performance) and what they need to do to achieve them (in terms of the application of the external- and internal characteristics).

Third, it is important to note that while managerial self-assessment (primary data) of various topics could be supportive to research robustness (triangulation efforts) it also risk being misleading. While researchers could expect that managerial views (in our research the CSR managers) of various performance indicators are relatively correct (given that the managers typically have insight in the firms' where they're employed) we advise caution since managers could be overconfident (or act in a self-serving fashion in line with the Agency theory expectations) on how their customers perceive their CSR efforts. It would be

optimal to assess firm level CSR effects such as reputation or credibility by surveying a firm's customers.

Since it is difficult to, for example, measure reputation from the customers' point of view (even if we had access to and could ask a sufficient numbers of customers of the sample firms) we followed previous researchers recommendation to research CSR based reputation from the firms' point of view (despite of potential overconfidence in managerial self-assessment). This is one reason why we attempted triangulation of various sources. In our research context we found support for that the managerial views on performance were accurate (as displayed by the support of hypothesis Hiii and the triangulation of performance measures).

Fourth, we found that 57.3% of the responding managers viewed their firm as being strongly trustworthy and that the majority (85.3%) cared for all of their stakeholders. In contrast, one tenth of the respondents graded their firm as having either an inferior or a superior CSR reputation (7.3% and 9.1% respectively). Fifth, regarding specific examples of what the respondents classified as internal-, or external, CSR activities in their firms, we found that 69.5% offered health related activities (on-site gym or work-out sessions during office hours), 11.1% provided some form of butler services, and 28.0% of the respondents engaged in other activities, e.g. the provision of free vaccinations prior to vacation trips. External CSR activities were exemplified as support of a local NGO or other non-for-profit organizations (75.6%), a local sports club (59.8%) or support of local businesses (51.2%). One third of the respondents (35.4%) provided general financial education programs, helped their suppliers to improve working conditions, supported research projects or provided scholarships to promising students.

Finally, we found that 19.5% of the respondents included some element of CSR on their product labelling. This could be a token that CSR is becoming a more market oriented concept, all in line with our findings regarding strategic CSR intents.

In relation to the internal orientation components we also found interesting topics and relationships that ultimately have managerial implications. First, 70.7% of the respondents had a CSR committee while 61.0% had a CSR manager. However, this was not correlated with CSR decision making. One explanation could be that a dedicated CSR manager commonly holds a higher (executive) position thus is likely to make autonomous decisions without the need for putting the suggestions in front of a committee or the TMT, or that the committee evaluates various CSR activities and then present their recommendations to a CSR manager for decision making.

Another explanation could be that the committee is the operative function who effectuates and executes the initiatives decided by the CSR manager or the TMT. On the other hand, firms that have a CSR committee is perhaps more likely to research CSR initiatives and present them to the CSR manager, the TMT or the CEO for a final decision.

Or, the CSR committee is autonomous and mandated to make CSR decisions without presenting it to the upper management for approval, or the CSR committee composition is such that decision making authority is not suitable, for example a cross-functional team without insight in the general strategy of the firm. Regardless of the underlying reasons, 82.9% of the firms who had a CSR committee had not empowered their committees with decision making authority.

We also found that when a dedicated CSR manager or a CSR committee was making the CSR decisions then all other managerial positions (apart from a negative relationship with the marketing managers) remained outside (no relationship found) participation and involvement. This is another avenue we recommend to pursue in future CSR research.

Second, despite that a majority of firms claimed to engage in CSR for strategic reasons, and that CSR was closely tied to market orientation and environmental efforts, our sample stated that neither the strategy managers (0%) nor the marketing managers (9.8%) or the sustainability managers (14.6%) participated to any, or great, extent in CSR decisions. CSR decisions were found to be the responsibility of the TMT (70.7%), the CEO (48.8%), the CSR manager (36.6%) or the board of directors (17.1%).

Third, we found indications that when the CSR manager, the TMT or the CEO were responsible for CSR decisions, then the marketing manager were absent in the CSR decision making processes (significantly negatively correlated at -.250*, -.421** and -.321** respectively). When CSR decisions instead were made by the owners or 'other' managers (any other manager than the CSR manager or CEO) then the marketing managers were participating in the CSR decisions (significantly positively correlated at .307** and .347** respectively). We believe this to be yet another area for future CSR researchers to pursue. With CSR being in a firm's best interests (from a reputation building perspective) the marketing function should logically also become involved in CSR decision making.

Fourth, as discussed above we found that most CSR decisions were made by the TMT, the CEO or the CSR Manager (70.7%, 48.8 and 36.6% respectively). It is therefore not surprising that a significant relationship were not found between the presence of a dedicated CSR manager and CSR decision making (.037). It could be argued that CSR decisions are still made in conjunction with the TMT and, or, the CEO even in firms that have a dedicated CSR manager.

Fifth, one third of firms on the Top-100 index reported to have successfully implemented the ISO9001 quality standard (35.4%) or the ISO14001 environmental standard (36.6%). This was unexpected since we logically believed that firms with formal ISO qualification would be more frequent among firms' qualified to meet one of the Index inclusion criteria. We did however find that the acceptance of the new CSR standard (ISO26000) was in line with our expectations. We found that 6.1% of firms were in the process of implementing ISO26000, 24.4% evaluated an implementation, while 69.5% of the

respondents did not consider it at the time of data collection (2011). Being a new standard (launched in early 2011) coinciding with systemic market turbulence (the global financial crisis) it is likely that it will take time for ISO26000 to win acceptance even among top ranking CSR firms.

Finally, since it is generally accepted that CSR communication is an important component to achieve strategic CSR intentions (objectives) it was not surprising to find that the timing of CSR communication were reported to be event driven (reactive) in 64.4% of the responding firms. In contrast, 35.6% communicated CSR proactively to precede media attention. This is also in line with the literature review which displayed that reactive communication is preferable when it comes to CSR. Thus, claims regarding the timing of CSR communication hold for our sample of Swedish firms. Since proactive communication risk being counterproductive we suggest future researchers to investigate best practices regarding CSR communication timing and preferably its effects.

Further, since timing is only one part of CSR communication and the literature review reveal that the design (to what extent CSR communication is holistic instead of specific) of CSR communication is equally important, it would be of value for academics and practitioners to understand if firms adopt the recommended approaches to CSR communication, or if they routinely prefer to apply a traditional marketing approach (promotion based) to CSR. Since CSR communication is stated as something that should be holistic we recommend practitioners to assess their marketing expenditure focus in this aspect, and academics to continue researching CSR communication.

In conclusion, we found that the level of external orientation and internal orientation were positively related to the level of CSR, and that firm performance was positively affected by the level of CSR for our sample Swedish firms.

6.3 Future Research

One of the major issues repeated throughout CSR research (including this research) is the lack of distinct CSR measures. Two measures are needed that would be invaluable for future CSR research. The first needed measure target to assess the level of CSR among sample firms (external measure). This measure would aid in comparative investigations such as this research. If we for example had access to a specific CSR measure the robustness and applicability of our research model would be enhanced. The second needed measure regards how to ‘make the business case’ for CSR with precision (internal measure). That is, to enable ROI measurement of a specific CSR initiative or a portfolio of CSR efforts at the firm level. While it is our distinct supposition that we in this research have been able to construct, compare and demonstrate as robust findings, conclusions and recommendations as possible that could be expected given the available CSR knowledge and measurement restrictions of

today, we recommend that future research should target the development of CSR measurements.

Other recommendations for future research were also revealed in relation to external- and internal orientation. First, our sample did not display that the top performing CSR firms embraced high levels of customer interaction. Thus, they did to a lesser extent share project organizations with their customers, had fewer formal written procedures how to interact with them, and less direct cooperation in other aspects. CSR research would therefore advance if we understood this better. Second, it would be optimal to assess firm level CSR effects regarding reputation and how to measure it separately and objectively. This since it is vastly complicated but important for the CSR field.

Third, some confusion of what CSR specifically could entail remains (what firms consider as external CSR activities). For this reason we hope that future researchers accept the challenge to assess more examples than what was revealed in this research. This as our research focused on the strategic application of CSR and its characteristics (the operationalization) and not on what specific CSR efforts to engage in.

Our recommendations for internal orientation research progress begin with an interest in understanding why CSR committees are not empowered with decision making authority. We would further like to understand what constitutes and limits the specific work of CSR committees and how they interact with the TMT's. Second, since CSR provide an avenue for reputation building we wonder why the marketing function of firms engaging voluntarily in CSR was disengaged. It would consequently be of interest to understand why a majority of large MNE's seemingly have misunderstood the recommended approaches to CSR communication and persist to communicate CSR in a specific way instead of as suggested in a holistic fashion. Thus, it would advance research regarding CSR communication to assess why they to a large extent engage in traditional marketing regarding CSR communication. Since we further were able to display ways to predict CSR levels we recommend other researchers to apply our findings to assess whether other applicable indexes from other countries would yield the discussed and similar outcome.

We also recommend future researchers to continue to address the firm performance aspects of CSR with caution. Initially it would be beneficial to see more research targeting quantifiable evidence in CSR research context for example in reputation or operating profit. With specific CSR measures (instead of general measures) we would be able to review both this research and to mirror it into other research contexts. Since it is logical that firm specific CSR set up (regarding their strategic orientation, or their specific organizational structure regarding its CSR decision making or their specific intention regarding CSR efforts) does not necessarily lead to present firm performance (due to the time factor), performance indicators such as reputation, effects from competitive advantages or risk reductions are prone to take time and are difficult to extract from one particular fiscal year data.

Finally, we advise to consider the broader global environment in later research. For example how to promote CSR in countries without a tradition of social responsibility, or what the antecedents are of the CSR by itself and at a country level. This would be valuable since CSR is not just a moral imperative but as suggested in this research an activity among other strategic activities that ties into long-term organizational survival.

We conclude that research in CSR would potentially benefit from targeting firms that have been applying CSR for a number of years or in general be researched over a period of time using time series. In parallel it would also progress firm performance aspects of CSR if other financial performance indicators were addressed, assessed and validated.

6.4 Limitations of the Research

As with all research, there are limitations to this research. The four major limitations are: 1) using one country; 2) that our research results might not be generalised into other CSR research contexts; 3) that our research used data covering one fiscal year; and 4) CSR measurement. Since our research scope was mainly concerned about maximizing research robustness (based on primary data via questionnaires and interviews) and to follow previous researcher's recommendations to compare firm level data with a representative index, we accepted these limitations.

One of the limitations regarding using one country (Sweden) was the difficulties in locating and gaining access to a representative index suitable for our CSR research context. This is frequently voiced as a common problem in CSR research. The index of our choice, the OMX-GES Sweden Index (NASDAQ-OMX) is a high quality index constructed for investors targeting firms with a commitment to CSR and sustainability. As this is a Top-100 Index extruded from the firms listed on the Stockholm Stock Exchange (525 firms in total), our sample size was limited to 100 assessable firms. However, our approach to personally contact every firm listed on the index allowed us to reach N=6 for the pre-interviews (qualitative data collection) and N=82 for the questionnaire (quantitative data collection). Each sample firm's annual report and web site was also screened for information related to this research.

Apart from the sample size limitation, another concern regarding using one country is whether ownership structures potentially affect CSR and firm performance, for example the level of institutional ownership. In this aspect Sweden are considered to have high levels of institutional ownership where approximately 63% of the listed companies traded on the OMX-Stockholm stock exchange have institutional shareholders as larger shareholders or being majority owner (Jakobson, 2012).

Other country level limitations regard differences in national culture. The relationship between market orientation and performance (or between customer satisfaction and performance) is claimed to be stronger in cultures with low power-distance and low

uncertainty-avoidance. In this aspect, Sweden is ranked among the top ten for lowest power distance and among the top five for lowest uncertainty avoidance. Since these cultural aspects potentially affect for example, customer satisfaction or contributes to firm level enactment of CSR initiatives, a research extension towards other countries would benefit practitioner and academics understanding of CSR. It would for example be valuable to investigate whether cultures with the opposite cultural traits (higher power distance and higher levels of uncertainty avoidance) affect CSR or customer satisfaction. Hence, despite that CSR is a global practice and our sample firms to a great extent are MNE's, our research can be considered to be largely local. It is therefore advisable that further empirical investigation of CSR practices should examine how CSR is conceived and practised in diverse national contexts.

The second research limitation regards that CSR components might not be generally applied or transferrable. Given that empirical methodologies have not established causality we decline claims that our research context is transferable across different samples. Future research that examines a causal link between CSR and firm performance would be valuable. There is also a possibility that variables other than those assessed in our research could intervene with the relationship between CSR and firm performance. It is further possible that other dimensions of the business environment e.g. the level of centralization, future orientation, industry competitiveness or R&D intensity, can affect the links among our model variables.

Our research further covered publicly traded firms meaning that our findings do not necessarily extend and transfer to privately held firms. Further investigation into these areas might help to clarify the results reported in our research. In addition, researching whether CSR affects other competitive advantages such as innovation or improved globalization (increased ratios of international revenue versus home country revenue) could also affect generalization. Yet another CSR field that remain less researched regards the antecedents of CSR, for example if some societal values or CEO leadership styles can trigger or shape CSR efforts. Finally, the vast majority of CSR research focuses on larger publicly traded firms. Little is known about what CSR means and how CSR is implemented in small and medium-size enterprises (SMEs).

The third research limitation regards the usage of a selective data set (data from one fiscal year). Hence, our research does not address or measure the long-term effects of CSR to either external- or internal orientations or firm performance. The potential impact or value of CSR over a longer time horizon would add greatly to our practitioner or academics understanding. In addition we note that while CSR is affected or driven by certain external- and internal orientation (characteristics of a firm) which in turn positively relates to firm performance, we have not addressed the question whether a current, or specific, level of CSR is optimal, suboptimal or whether the effectiveness of different types of CSR initiatives affect external- or internal orientation or firm performance.

Another aspect of limitations regarding selective fiscal data sets is the question whether institutional ownership is related to poor CSR or environmental performance. We conjecture that since our selected CSR Index (composed by GES-OMX and NASDAQ-OMX) is specifically composed for investors targeting ethically sound investments, the investigation of ownership structures and investment time horizons might add to CSR research.

The fourth research limitation regards the external and internal measurement of CSR. As discussed in section 6.3 there are no published specific measures for CSR. If we had access to an external CSR measure it would enable us to compare the CSR levels among the sample firms in a different fashion. Instead we were for this research compelled to compromise by using the above mentioned Index as foundation for our comparison of CSR levels among firms. If we further had access to a precise internal measure of CSR, for example in form of ROI, it would reveal more solid best practices than those we were able to display. We would generally enhance both the robustness and the applicability of this research if such external and internal measures were available.

A minor limitation regards CSR communication. Since it is important to communicate CSR efforts it is recommended to include and control for market intensity (e.g. advertising expenditure) in CSR research contexts. Given that the advertising expenditures (the proxy for market intensity) were not retrievable from all our respondents' annual reports we followed the recommendations by substituting market intensity with cost of sales. We therefore recommend future research that contains both primary and secondary data to extrude quantifiable advertising expenditure from each respondent as this potentially could affect the final computations in the communication aspect.

In summary, we believe we addressed the limitations of using one country, the resulting sample size limitations and the CSR measurement issue by achieving a high response rate in combination with using a high quality Index from a reputable source that previously have been applied in similar research in our research context.

6.5 Research Summary

Since Corporate Social Responsibility (CSR) has transformed from being a social concept (charitable cause) into a corporate behaviour and management philosophy, it has also transformed into a corporate adage that firms should engage voluntarily in CSR with a strategic intent with the intention to gain from it. Thus, it has transformed from being perceived as a cost only into becoming an investment in intangible assets.

In this research we found the core strategic CSR intentions to evolve around: gaining a positive reputation; relationship improvements with customers, suppliers and employees; cost- or risk reduction objectives; or to achieve other competitive advantages. Hence, CSR is today indeed considered to be a long-term investment that leads to competitive advantages, improved reputation, improved customer relations and improved firm performance. For these reasons CSR have become cemented as a strategic management component.

This research also displays that certain characteristics and the operationalization of CSR are vital to meet CSR objectives. We found that firms specifically should focus on the market (external orientation) and specify how to manage their CSR related efforts (internal orientation). They should further design a specific communication plan for CSR and plan the timing of when to communicate CSR information with its stakeholders.

This research has discussed all of the above aspects, made recommendations regarding its operative management to practitioners and research recommendations to academics for future expansion and understanding of the CSR concept. Our conclusion is that we reached all of our research objectives, contributed to the general understanding of Corporate Social Responsibility and added value to the topic for our target group (practitioners and academics).

Overall our findings confirm the suggestions extracted from the literature review in a robust fashion for our chosen research context. At core, we found support for our hypotheses that the level of External Orientation and Internal Orientation positively affect CSR and that CSR positively affect firm performance.

Abbreviations

B2B	Business to business
B2C	Business to consumers
B2G	Business to governments
CEO	Chief Executive Officer
CFP	Corporate Financial Performance
COO	Chief Operating Officer
CSR	Corporate Social Responsibility
DKK	Danish crowns (currency)
EBIT	Earnings Before Interest and Tax
ESG	Environment, Social and Corporate Governance factors (UN PRI)
EU	the European Union
FMCG	Fast Moving Consumer Goods
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
HR	Human Resources
ICT	Information and Communication Technologies
ISO	International Standardization Organization
ISO9001	ISO standard for quality processes
ISO14001	ISO standard for Sustainability environmental processes
ISO26000	ISO standard for CSR
KAM	Key Account Manager
MNC	Multi-National Companies
MNE	Multi-National Enterprise
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
PPP	Purchasing Power Parity
R&D	Research and Development
ROA	Return on Assets
SME	Small and Medium sized Enterprises
TMT	Top-Management Team
UN	United Nations
UNPRI	United Nations Principles for Responsible Investment
USD	United States Dollars (currency)
U.S	the United States
VP	Vice President

Table 1: Overview of Previous Research.

Applied Theory:	Stakeholder-, control-, goal-, stewardship- and institutional theory
Underlying Perspective:	Ethical
Unit of Analysis:	Macro-social
Type of CSR:	Non-specific
Stakeholder(s):	Non-specific
Mode:	Extroverted to firm
Research Beneficiaries:	Academics
Orientation:	Results (performance) oriented (e.g. CFP)
Region:	USA
Data source(s):	Secondary (databases, indexes)
Industry selection:	Industry Specific
Scope:	Society and stakeholders in isolation from the firms
External communication:	Random or event driven

Table 2a: Research Comparison Overview

	Previous Research	Scope of this research
Applied Theory:	Stakeholder-, goal-, stewardship-, institutional theory etc.	Market Orientation theory
Underlying Perspective:	Ethical	Strategic
Unit of Analysis:	Macro-social	Organization
Type of CSR:	General, philanthropic	Strategic CSR
Stakeholder(s):	Non-specific stakeholders	Customers
Mode:	Extroverted to firm	Introverted to firm
Research Beneficiaries:	Academics	Practitioners and Academics
Orientation:	Results oriented (e.g. CFP)	Operations/Performance oriented
Region:	USA	Europe (Sweden)
Data source(s):	Secondary (databases, indexes)	Primary (questionnaires, interviews), Secondary (indexes)
Industry selection:	Industry Specific	Market wide
Scope:	Society and stakeholders in isolation from the firms	Customers interaction with firms
External communication:	Random or event driven	Designed and planned

Table 3a: CSR ranking Lists 2009

Ranking List 2009	Sweden Rank #	# of countries
CSR: Responsible Competitiveness	1	108
Climate Change Performance	1	56
European Innovation Scoreboard	1	37
Global ICT Report	2	127
Globalization Index	3	122
World's Most Innovative Nations	3	31
Environmental Performance Index	3	149
Global Competitiveness Report	4	134
Global Talent Index	5	30

Source: ITIF, 2009; Swedish-Institute 2009

Table 3b: CSR ranking Lists 2011

Ranking List 2011	Sweden Rank #	# of countries
CSR: Responsible Competitiveness	1	108
European Innovation Scoreboard	1	37
Global Creativity Index	1	N/A
Global Reputation Index	1	N/A
Global Innovation Index	2	N/A
Global Competitiveness Report	3	134
Environmental Performance Index	4	149
World's Most Innovative Nations	5	31
Global Talent Index	7	30

Source: Swedish-Institute 2011

Table 4: Gender representation across organizational CSR positions – Top100 Index.

Top-100 (total index):		**Comments:**
27 of N=82 are lower positions	32.93%	
55 of N=82 are higher positions	67.07%	A majority of CSR mgr positions are upper-level management positions.
8 of 27 lower positions are held by men	29.63%	
19 of 27 lower positions are held by women	70.37%	There's no equality b/w gender on lower positions on the Top-100.
29 of 55 higher positions are held by men	52.73%	
26 of 55 higher positions are held by women	47.27%	There's almost equality b/w gender for higher positions on the Top-100.

Table 5: Gender representation across organizational CSR positions – Top40 Index.

Top-40 section:		**Comments:**
13 of 35 are lower positions	37.14%	
22 of 35 are higher positions	62.86%	A majority of CSR mgr positions are upper-level management positions.
4 of 13 lower positions are held by men	30.77%	
9 of 13 lower positions are held by women	69.23%	There's no equality b/w gender on lower positions on the Top-40.
9 of 22 higher positions are held by men	40.91%	
13 of 22 higher positions are held by women	59.09%	There's almost equality b/w gender for higher positions on the Top-40.

Table 6: Gender representation across organizational CSR positions – Bottom-60 Index.

Bottom-60 section:		**Comments:**
14 of 47 are lower positions	29.79%	
33 of 47 are higher positions	70.21%	A majority of CSR mgr positions are upper-level management positions.
4 of 14 lower positions are held by men	28.57%	
10 of 14 lower positions are held by women	71.43%	There's no equality b/w gender on lower positions on the Bottom-60.
20 of 33 higher positions are held by men	60.61%	
13 of 33 higher positions are held by women	39.39%	There's less equality b/w gender for higher positions on the Bottom-60.

Table 7. Hypotheses testing results summary.

Hypothesis	Description of the Variable Relationship	Result
H1	*CSR vs. Customer Interaction.*	Not Supported
H2	*CSR vs. Customer Orientation.*	Supported
H3	*CSR vs. Market Orientation.*	Supported
Hi	*CSR vs. External Orientation.*	Supported
H4	*CSR vs. Strategic Orientation.*	Supported
H5	*CSR vs. Strategic CSR Intention.*	Supported
H6	*CSR vs. Operative CSR Management.*	Supported
H7	*CSR vs. Industrial Standards.*	Supported
H8A	*CSR vs. CSR Communication (timing).*	Supported
H8B	*CSR vs. CSR Communication (design).*	Supported
Hii	*CSR vs. Internal Orientation.*	Supported
Hiii	*CSR vs. Firm Performance.*	Supported

Table 8a. Quantitative Data Comparison: Bivariate Correlation Chart between the Variables and the Index.

			Variable Customer Interaction	Variable Customer Orientation	Variable Market Orientation	Variable Strategic Orientation	Variable CSR Intention	Variable CSR Operative Mgmt	Variable Industrial Standards	Variable CSR Comm Timing	Variable CSR Comm Design	Variable Firm Performance	Variable Index
Spearman's rho	Variable Customer Interaction	Correlation Coefficient	1.000	.296**	.315**	.195	.244*	.072	.236*	.230*	.238*	.214	.119
		Sig. (2-tailed)	.	.007	.004	.079	.027	.519	.033	.038	.032	.054	.287
		N	82	82	82	82	82	82	82	82	82	82	82
External Orientation Variables	Variable Customer Orientation	Correlation Coefficient	.296**	1.000	.703**	.634**	.948**	.338**	.900**	.902**	.905**	.901**	.637**
		Sig. (2-tailed)	.007	.	.000	.000	.000	.002	.000	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable Market Orientation	Correlation Coefficient	.315**	.703**	1.000	.707**	.711**	.231*	.703**	.703**	.703**	.710**	.464**
		Sig. (2-tailed)	.004	.000	.	.000	.000	.036	.000	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
Internal Orientation Variables	Variable Strategic Orientation	Correlation Coefficient	.195	.634**	.707**	1.000	.625**	.271*	.634**	.610**	.615**	.596**	.441**
		Sig. (2-tailed)	.079	.000	.000	.	.000	.014	.000	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable CSR Intention	Correlation Coefficient	.244*	.948**	.711**	.625**	1.000	.378**	.976**	.975**	.976**	.974**	.625**
		Sig. (2-tailed)	.027	.000	.000	.000	.	.000	.000	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable CSR Operative Mgmt	Correlation Coefficient	.072	.338**	.231*	.271*	.378**	1.000	.384**	.390**	.393**	.382**	.455**
		Sig. (2-tailed)	.519	.002	.036	.014	.000	.	.000	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable Industrial Standards	Correlation Coefficient	.236*	.900**	.703**	.634**	.976**	.384**	1.000	.989**	.992**	.979**	.619**
		Sig. (2-tailed)	.033	.000	.000	.000	.000	.000	.	.000	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable CSR Comm Timing	Correlation Coefficient	.230*	.902**	.703**	.610**	.975**	.390**	.989**	1.000	.999**	.991**	.613**
		Sig. (2-tailed)	.038	.000	.000	.000	.000	.000	.000	.	.000	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable CSR Comm Design	Correlation Coefficient	.238*	.905**	.703**	.615**	.976**	.393**	.992**	.999**	1.000	.990**	.617**
		Sig. (2-tailed)	.032	.000	.000	.000	.000	.000	.000	.000	.	.000	.000
		N	82	82	82	82	82	82	82	82	82	82	82
Firm Performance Variable	Variable Firm Performance	Correlation Coefficient	.214	.901**	.710**	.596**	.974**	.382**	.979**	.991**	.990**	1.000	.589**
		Sig. (2-tailed)	.054	.000	.000	.000	.000	.000	.000	.000	.000	.	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.119	.637**	.464**	.441**	.625**	.455**	.619**	.613**	.617**	.589**	1.000
		Sig. (2-tailed)	.287	.000	.000	.000	.000	.000	.000	.000	.000	.000	.
		N	82	82	82	82	82	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Table 8b. Quantitative Data Comparison: Multivariate Relationship Between the External Orientation, Internal Orientation, Financial Performance Variables and the Index.

Correlations

			Variable External Orientation	Variable Internal Orientation	Variable Firm Performance	Variable Index
Spearman's rho	Variable External Orientation	Correlation Coefficient	1.000	.813**	.952**	.640**
		Sig. (2-tailed)	.	.000	.000	.000
		N	82	82	82	82
	Variable Internal Orientation	Correlation Coefficient	.813**	1.000	.858**	.600**
		Sig. (2-tailed)	.000	.	.000	.000
		N	82	82	82	82
	Variable Firm Performance	Correlation Coefficient	.952**	.858**	1.000	.616**
		Sig. (2-tailed)	.000	.000	.	.000
		N	82	82	82	82
	Variable Index	Correlation Coefficient	.640**	.600**	.616**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Table 9. Hypotheses Testing: External- and Internal Orientation and Firm Performance Variables vs. the Index.

9a: Model testing (model significance)

1. MODEL TESTING									
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**	**Interpretation**
VCI	1.559	5	76	2.33492	1.559	<	2.33492	= do not reject the null.	The model is insignificant.
VCO	10.671	5	76	2.33492	10.671	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VMO	5.033	5	76	2.33492	5.033	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VSO	3.983	5	76	2.33492	3.983	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VCSRINT	9.870	5	76	2.33492	9.870	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VCSROM	5.937	5	76	2.33492	5.937	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VISO	3.953	5	76	2.33492	3.953	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VCommTim	9.375	5	76	2.33492	9.375	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VCommDes	9.558	5	76	2.33492	9.558	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VEO	11.101	5	76	2.33492	11.101	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VIO	9.499	5	76	2.33492	9.499	>	2.33492	= reject the null hypothesis.	The model is significant (valid).
VFP	9.961	5	76	2.33492	9.961	>	2.33492	= reject the null hypothesis.	The model is significant (valid).

9b: Variable Testing (relationship significance)

2. INDIVIDUAL VARIABLE TESTING									
Variable	T-statistic	df1	df2	T-critical value	Hypothesis testing			Result	Interpretation
VCI	1.409	N/A	76	1.99167	1.409	<	1.99167	= do not reject the null.	The Index does not influence the VCI
VCO	6.688	N/A	76	1.99167	6.688	>	1.99167	= reject the null hypothesis.	The Index varible influences the VCO
VMO	4.376	N/A	76	1.99167	4.376	>	1.99167	= reject the null hypothesis.	The Index varible influences the VMO
VSO	3.842	N/A	76	1.99167	3.842	>	1.99167	= reject the null hypothesis.	The Index varible influences the VSO
VCSRINT	6.445	N/A	76	1.99167	6.445	>	1.99167	= reject the null hypothesis.	The Index varible influences the VCSRINT
VCSROM	4.946	N/A	76	1.99167	4.946	>	1.99167	= reject the null hypothesis.	The Index varible influences the VCSROM
VISO	4.051	N/A	76	1.99167	4.051	>	1.99167	= reject the null hypothesis.	The Index varible influences the VISO
VCommTim	6.274	N/A	76	1.99167	6.274	>	1.99167	= reject the null hypothesis.	The Index varible influences the VCommTim
VCommDes	6.335	N/A	76	1.99167	6.335	>	1.99167	= reject the null hypothesis.	The Index varible influences the VCommDes
VEO	6.725	N/A	76	1.99167	6.725	>	1.99167	= reject the null hypothesis.	The Index varible influences the VEO
VIO	6.315	N/A	76	1.99167	6.315	>	1.99167	= reject the null hypothesis.	The Index varible influences the VIO
VFP	6.382	N/A	76	1.99167	6.382	>	1.99167	= reject the null hypothesis.	The Index varible influences the VFP

9c: Variable Testing (direction of relationship)

3. TARGET VARIABLE TESTING									
Variable	T-statistic	df1	df2		Hypothesis testing			Result	Interpretation (Index relationship)
VCI	1.409	N/A	76	1.66515	1.409	<	1.66515	= do not reject the null.	The relationship is negative with VCI
VCO	6.688	N/A	76	1.66515	6.688	>	1.66515	= reject the null hypothesis.	The relationship is positive with VCO
VMO	4.376	N/A	76	1.66515	4.376	>	1.66515	= reject the null hypothesis.	The relationship is positive with VMO
VSO	3.842	N/A	76	1.66515	3.842	>	1.66515	= reject the null hypothesis.	The relationship is positive with VSO
VCSRINT	6.445	N/A	76	1.66515	6.445	>	1.66515	= reject the null hypothesis.	The relationship is positive with VCSRINT
VCSROM	4.946	N/A	76	1.66515	4.946	>	1.66515	= reject the null hypothesis.	The relationship is positive with VCSROM
VISO	4.051	N/A	76	1.66515	4.051	>	1.66515	= reject the null hypothesis.	The relationship is positive with VISO
VCommTim	6.274	N/A	76	1.66515	6.274	>	1.66515	= reject the null hypothesis.	The relationship is positive with VCommTim
VCommDes	6.335	N/A	76	1.66515	6.335	>	1.66515	= reject the null hypothesis.	The relationship is positive with VCommDes
VEO	6.725	N/A	76	2.33492	6.725	>	2.33492	= reject the null hypothesis.	The relationship is positive with VEO
VIO	6.315	N/A	76	2.33492	6.315	>	2.33492	= reject the null hypothesis.	The relationship is positive with VIO
VFP	6.382	N/A	76	2.33492	6.382	>	2.33492	= reject the null hypothesis.	The relationship is positive with VFP

9d: Variable Testing (magnitude and interpretation)

Summary Variable Statistics and Relationship											
Variable	**Variable** (explanation)	**Cronbach's α**	**R-Square**	**F-stat.**	**Sig.**	**Beta**	**95% CI**		**Hypo. #**	**Conclusion**	**Interpretation**
VCI	Customer Interaction	0.653	0.093	1.559	0.182	0.022	-0.009	0.052	H1	Not Supported	-
VCO	Customer Orientation	0.854	0.412	10.671	0.000	0.121	0.085	0.157	H2	Supported	There's a positive relationship w the Index.
VMO	Market Orientation	0.766	0.249	5.033	0.000	0.080	0.044	0.117	H3	Supported	There's a positive relationship w the Index.
VEO	External Orientation	0.847	0.422	11.101	0.000	0.058	0.041	0.075	H*i*	Supported	There's a positive relationship w the Index.
VSO	Strategic Orientation	0.695	0.208	3.983	0.003	0.047	0.023	0.071	H4	Supported	There's a positive relationship w the Index.
VCSRINT	Strategic CSR Intent	0.791	0.394	9.870	0.000	0.087	0.060	0.114	H5	Supported	There's a positive relationship w the Index.
VCSROM	CSR Operative Mgmt	0.844	0.281	5.937	0.000	0.080	0.048	0.112	H6	Supported	There's a positive relationship w the Index.
VISO	Industrial Standards	0.738	0.394	9.866	0.000	0.071	0.049	0.093	H7	Supported	There's a positive relationship w the Index.
VCommTim	Communication Timing	0.542	0.381	9.375	0.000	0.061	0.042	0.081	H8A	Supported	There's a positive relationship w the Index.
VCommDes	Communication Design	0.597	0.386	9.558	0.000	0.064	0.044	0.084	H8B	Supported	There's a positive relationship w the Index.
VIO	Internal Orientation	0.912	0.385	9.499	0.000	0.130	0.089	0.171	H*ii*	Supported	There's a positive relationship w the Index.
VFP	Firm Performance	0.844	0.389	9.961	0.000	0.077	0.053	0.101	*Hiii*	Supported	There's a positive relationship w the Index.

Table 10: H1: Variable Customer Interaction (VCI)

Reliability Statistics

Cronbach's Alpha	N of Items
.653	4

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.305[a]	.093	.033	3.82847	1.513

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Interaction

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.270	5	22.854	1.559	.182[a]
	Residual	1113.948	76	14.657		
	Total	1228.218	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Interaction

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	10.710	1.776		6.029	.000	7.172	14.248
	Ctrl Var 1 Industry Affiliation	-.082	.050	-.191	-1.628	.108	-.183	.018
	Ctrl Var 2 Firm Size Total Assets	-2.238E-7	.000	-.085	-.695	.489	.000	.000
	Ctrl Var 3 Firm Customer Categories	.450	.322	.160	1.396	.167	-.192	1.091
	Ctrl Var 4 Marcom Ratio	-1.494	3.337	-.052	-.448	.656	-8.141	5.152
	Variable Index	.022	.015	.161	1.409	.163	-.009	.052

a. Dependent Variable: Variable Customer Interaction

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	8.9801	13.8126	11.3963	1.18775	82
Residual	-10.03479	7.08796	.00000	3.70843	82
Std. Predicted Value	-2.034	2.034	.000	1.000	82
Std. Residual	-2.621	1.851	.000	.969	82

a. Dependent Variable: Variable Customer Interaction

Table 11: H2: Variable Customer Orientation (VCO)

Reliability Statistics

Cronbach's Alpha	N of Items
.854	6

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.642[a]	.412	.374	4.52149	1.829

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1090.801	5	218.160	10.671	.000[a]
	Residual	1553.735	76	20.444		
	Total	2644.537	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	16.936	2.098		8.072	.000	12.757	21.114
	Ctrl Var 1 Industry Affiliation	-.028	.060	-.044	-.471	.639	-.147	.091
	Ctrl Var 2 Firm Size Total Assets	2.069E-7	.000	.053	.544	.588	.000	.000
	Ctrl Var 3 Firm Customer Categories	.382	.381	.093	1.004	.318	-.376	1.140
	Ctrl Var 4 Marcom Ratio	-.867	3.941	-.020	-.220	.826	-8.717	6.983
	Variable Index	.121	.018	.616	6.688	.000	.085	.157

a. Dependent Variable: Variable Customer Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	17.1811	30.1625	23.7958	3.66970	82
Residual	-15.60122	12.76376	.00000	4.37972	82
Std. Predicted Value	-1.803	1.735	.000	1.000	82
Std. Residual	-3.450	2.823	.000	.969	82

a. Dependent Variable: Variable Customer Orientation

Table 12: H3: Variable Market Orientation (VMO)

Reliability Statistics

Cronbach's Alpha	N of Items
.766	8

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.499[a]	.249	.199	4.57933	2.036

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Market Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	527.700	5	105.540	5.033	.000[a]
	Residual	1593.740	76	20.970		
	Total	2121.439	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Market Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	18.550	2.125		8.730	.000	14.318	22.782
	Ctrl Var 1 Industry Affiliation	.004	.060	.008	.074	.941	-.116	.125
	Ctrl Var 2 Firm Size Total Assets	2.196E-7	.000	.063	.570	.570	.000	.000
	Ctrl Var 3 Firm Customer Categories	-.088	.385	-.024	-.228	.820	-.856	.680
	Ctrl Var 4 Marcom Ratio	4.163	3.992	.110	1.043	.300	-3.787	12.113
	Variable Index	.080	.018	.456	4.376	.000	.044	.117

a. Dependent Variable: Variable Market Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	18.4765	28.2696	23.3576	2.55241	82
Residual	-9.90096	12.64513	.00000	4.43574	82
Std. Predicted Value	-1.912	1.924	.000	1.000	82
Std. Residual	-2.162	2.761	.000	.969	82

a. Dependent Variable: Variable Market Orientation

Table 13: Hi: Variable External Orientation

Reliability Statistics

Cronbach's Alpha	N of Items
.847	2

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.650[a]	.422	.384	2.16323063	1.926

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable External Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	259.731	5	51.946	11.101	.000[a]
	Residual	355.647	76	4.680		
	Total	615.378	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable External Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	6.190	1.004		6.167	.000	4.191	8.189
	Ctrl Var 1 Industry Affiliation	-.023	.028	-.076	-.810	.421	-.080	.034
	Ctrl Var 2 Firm Size Total Assets	5.736E-8	.000	.031	.315	.754	.000	.000
	Ctrl Var 3 Firm Customer Categories	.223	.182	.112	1.224	.225	-.140	.585
	Ctrl Var 4 Marcom Ratio	1.657	1.886	.081	.879	.382	-2.098	5.413
	Variable Index	.058	.009	.614	6.725	.000	.041	.075

a. Dependent Variable: Variable External Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	6.6463351	13.4475794	9.8087317	1.79068460	82
Residual	-5.90044117	5.99100971	.00000000	2.09540083	82
Std. Predicted Value	-1.766	2.032	.000	1.000	82
Std. Residual	-2.728	2.769	.000	.969	82

a. Dependent Variable: Variable External Orientation

Table 14: H4: Variable Strategic Orientation (VSO)

Reliability Statistics

Cronbach's Alpha	N of Items
.695	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.456[a]	.208	.155	3.05853	2.014

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Strategic Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186.293	5	37.259	3.983	.003[a]
	Residual	710.950	76	9.355		
	Total	897.244	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Strategic Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.999	1.419		5.636	.000	5.172	10.825
	Ctrl Var 1 Industry Affiliation	.026	.040	.071	.649	.518	-.054	.106
	Ctrl Var 2 Firm Size Total Assets	7.175E-8	.000	.032	.279	.781	.000	.000
	Ctrl Var 3 Firm Customer Categories	.268	.257	.112	1.042	.301	-.244	.781
	Ctrl Var 4 Marcom Ratio	1.677	2.666	.068	.629	.531	-3.633	6.987
	Variable Index	.047	.012	.411	3.842	.000	.023	.071

a. Dependent Variable: Variable Strategic Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.0846	14.8767	12.0661	1.51655	82
Residual	-4.61459	7.26272	.00000	2.96263	82
Std. Predicted Value	-1.966	1.853	.000	1.000	82
Std. Residual	-1.509	2.375	.000	.969	82

a. Dependent Variable: Variable Strategic Orientation

Table 15: H5: Variable Strategic CSR Intention (VCSRINT)

Reliability Statistics

Cronbach's Alpha	N of Items
.791	4

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.627[a]	.394	.354	3.39172	1.877

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Intention

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	567.726	5	113.545	9.870	.000[a]
	Residual	874.288	76	11.504		
	Total	1442.014	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Intention

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	11.625	1.574		7.387	.000	8.490	14.759
	Ctrl Var 1 Industry Affiliation	-.021	.045	-.044	-.462	.645	-.110	.068
	Ctrl Var 2 Firm Size Total Assets	1.873E-7	.000	.066	.656	.514	.000	.000
	Ctrl Var 3 Firm Customer Categories	.178	.285	.059	.625	.534	-.390	.747
	Ctrl Var 4 Marcom Ratio	-.202	2.956	-.006	-.068	.946	-6.090	5.686
	Variable Index	.087	.014	.603	6.445	.000	.060	.114

a. Dependent Variable: Variable CSR Intention

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.7394	20.8672	16.3661	2.64744	82
Residual	-10.60245	9.08964	.00000	3.28537	82
Std. Predicted Value	-1.748	1.700	.000	1.000	82
Std. Residual	-3.126	2.680	.000	.969	82

a. Dependent Variable: Variable CSR Intention

Table 16: H6: Variable Operative CSR Management (VCSROM)

Reliability Statistics

Cronbach's Alpha	N of Items
.844	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.530[a]	.281	.234	4.04568567	1.935

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Operative Mgmt

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485.835	5	97.167	5.937	.000[a]
	Residual	1243.936	76	16.368		
	Total	1729.770	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Operative Mgmt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.868	1.877		4.191	.000	4.129	11.607
	Ctrl Var 1 Industry Affiliation	-.001	.053	-.002	-.018	.986	-.107	.105
	Ctrl Var 2 Firm Size Total Assets	-6.204E-7	.000	-.198	-1.823	.072	.000	.000
	Ctrl Var 3 Firm Customer Categories	-.607	.340	-.182	-1.782	.079	-1.285	.072
	Ctrl Var 4 Marcom Ratio	1.742	3.527	.051	.494	.623	-5.281	8.766
	Variable Index	.080	.016	.504	4.946	.000	.048	.112

a. Dependent Variable: Variable CSR Operative Mgmt

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.5300145	14.7244921	10.1721220	2.44907371	82
Residual	-8.15804005	10.96299171	.00000000	3.91882999	82
Std. Predicted Value	-1.895	1.859	.000	1.000	82
Std. Residual	-2.016	2.710	.000	.969	82

a. Dependent Variable: Variable CSR Operative Mgmt

Table 17: H7: Variable Industrial Standards (VISO)

Reliability Statistics

Cronbach's Alpha	N of Items
.738	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.627[a]	.394	.354	2.75752161	1.887

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Industrial Standards

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	375.108	5	75.022	9.866	.000[a]
	Residual	577.898	76	7.604		
	Total	953.007	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Industrial Standards

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	8.350	1.279		6.526	.000	5.802	10.899
	Ctrl Var 1 Industry Affiliation	-.027	.036	-.072	-.754	.453	-.100	.045
	Ctrl Var 2 Firm Size Total Assets	1.261E-7	.000	.054	.544	.588	.000	.000
	Ctrl Var 3 Firm Customer Categories	.134	.232	.054	.576	.567	-.329	.596
	Ctrl Var 4 Marcom Ratio	.906	2.404	.036	.377	.707	-3.881	5.694
	Variable Index	.071	.011	.602	6.435	.000	.049	.093

a. Dependent Variable: Variable Industrial Standards

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	8.3474588	16.0899239	12.1634634	2.15196811	82
Residual	-7.34686804	7.29558659	.00000000	2.67105734	82
Std. Predicted Value	-1.773	1.825	.000	1.000	82
Std. Residual	-2.664	2.646	.000	.969	82

a. Dependent Variable: Variable Industrial Standards

Table 18: H8a: Variable Communication Timing (VCommTim)

Reliability Statistics

Cronbach's Alpha	N of Items
.542	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.618[a]	.381	.341	2.44351	1.866

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Timing

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	279.865	5	55.973	9.375	.000[a]
	Residual	453.776	76	5.971		
	Total	733.641	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Timing

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.512	1.134		6.626	.000	5.254	9.770
	Ctrl Var 1 Industry Affiliation	-.023	.032	-.068	-.699	.486	-.087	.042
	Ctrl Var 2 Firm Size Total Assets	8.978E-8	.000	.044	.437	.664	.000	.000
	Ctrl Var 3 Firm Customer Categories	.132	.206	.061	.641	.523	-.278	.541
	Ctrl Var 4 Marcom Ratio	1.130	2.130	.051	.530	.597	-3.113	5.372
	Variable Index	.061	.010	.593	6.274	.000	.042	.081

a. Dependent Variable: Variable CSR Comm Timing

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.6097	14.4167	10.9350	1.85880	82
Residual	-6.83121	6.31865	.00000	2.36689	82
Std. Predicted Value	-1.789	1.873	.000	1.000	82
Std. Residual	-2.796	2.586	.000	.969	82

a. Dependent Variable: Variable CSR Comm Timing

Table 19: H8b: Variable Communication Design (VCommDes)

Reliability Statistics

Cronbach's Alpha	N of Items
.597	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.621[a]	.386	.346	2.53191	1.874

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Design

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	306.362	5	61.272	9.558	.000[a]
	Residual	487.204	76	6.411		
	Total	793.566	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Design

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.750	1.175		6.597	.000	5.410	10.090
	Ctrl Var 1 Industry Affiliation	-.024	.033	-.069	-.719	.474	-.090	.042
	Ctrl Var 2 Firm Size Total Assets	1.013E-7	.000	.048	.475	.636	.000	.000
	Ctrl Var 3 Firm Customer Categories	.131	.213	.058	.617	.539	-.293	.556
	Ctrl Var 4 Marcom Ratio	1.050	2.207	.045	.476	.636	-3.346	5.445
	Variable Index	.064	.010	.596	6.335	.000	.044	.084

a. Dependent Variable: Variable CSR Comm Design

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.8136	14.8903	11.2821	1.94480	82
Residual	-6.96664	6.60536	.00000	2.45252	82
Std. Predicted Value	-1.783	1.855	.000	1.000	82
Std. Residual	-2.752	2.609	.000	.969	82

a. Dependent Variable: Variable CSR Comm Design

Table 20: Hii: Variable Internal Orientation

Reliability Statistics

Cronbach's Alpha	N of Items
.912	6

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.620[a]	.385	.344	5.15582218	1.839

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Internal Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1262.569	5	252.514	9.499	.000[a]
	Residual	2020.270	76	26.583		
	Total	3282.840	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Internal Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	19.318	2.392		8.075	.000	14.553	24.083
	Ctrl Var 1 Industry Affiliation	-.026	.068	-.037	-.380	.705	-.161	.109
	Ctrl Var 2 Firm Size Total Assets	2.185E-7	.000	.051	.504	.616	.000	.000
	Ctrl Var 3 Firm Customer Categories	.417	.434	.091	.961	.339	-.447	1.281
	Ctrl Var 4 Marcom Ratio	-1.459	4.494	-.031	-.325	.746	-10.410	7.492
	Variable Index	.130	.021	.595	6.315	.000	.089	.171

a. Dependent Variable: Variable Internal Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	19.4955692	33.5603294	26.7006341	3.94807262	82
Residual	-17.89374161	13.83546925	.00000000	4.99415730	82
Std. Predicted Value	-1.825	1.737	.000	1.000	82
Std. Residual	-3.471	2.683	.000	.969	82

a. Dependent Variable: Variable Internal Orientation

Table 21: Hiii: Variable Firm Performance

Reliability Statistics

Cronbach's Alpha	N of Items
.844	3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.624[a]	.389	.349	3.00003	1.883

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Firm Performance

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	436.107	5	87.221	9.691	.000[a]
	Residual	684.012	76	9.000		
	Total	1120.119	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Firm Performance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	9.078	1.392		6.521	.000	6.306	11.850
	Ctrl Var 1 Industry Affiliation	-.030	.040	-.072	-.747	.457	-.108	.049
	Ctrl Var 2 Firm Size Total Assets	1.414E-7	.000	.056	.560	.577	.000	.000
	Ctrl Var 3 Firm Customer Categories	.132	.252	.049	.521	.604	-.371	.634
	Ctrl Var 4 Marcom Ratio	.873	2.615	.032	.334	.739	-4.335	6.081
	Variable Index	.077	.012	.599	6.382	.000	.053	.101

a. Dependent Variable: Variable Firm Performance

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.0233	17.3270	13.1371	2.32035	82
Residual	-7.93416	7.87142	.00000	2.90596	82
Std. Predicted Value	-1.773	1.806	.000	1.000	82
Std. Residual	-2.645	2.624	.000	.969	82

a. Dependent Variable: Variable Firm Performance

Table 22: Data Comparison: Primary Firm Performance vs. Secondary Firm Performance

Computations to assess triangulated relationships between primary- and secondary performance measures were performed by using ANOVA in Excel version 2010. For the ROA measure we replaced the values of negative outliers with '0' instead of omitting them due to the relative small sample size in this research context.

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Firm Performance	82	332.6667	4.056911	1.947338
ROA	82	8.048	0.098146	0.010978

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	642.5444	1	642.5444	656.2211	7.45E-59	3.899502
Within Groups	158.6237	162	0.979158			
Total	801.168	163				

Table 22a: Firm Performance (primary data) vs. ROA (secondary data)

Anova: Single Factor

SUMMARY

Groups	*Count*	*Sum*	*Average*	*Variance*
Firm Performance	82	355.6667	4.337398	1.875155
OPP	82	245.6481	2.995709	1.261351

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	73.8054	1	73.8054	47.06218	1.38E-10	3.899502
Within Groups	254.0569	162	1.568253			
Total	327.8623	163				

Table 22b: Firm Performance (primary data) vs. Operating Profit (secondary data)

***Table 23: Detailed Analysis for** H1 Computations: Variable Customer Interaction (VCI)*

Correlations

		Customer Interaction 1	Customer Interaction 2	Customer Interaction 3	Customer Interaction 4
Customer Interaction 1	Pearson Correlation	1	.294**	.347**	.400**
	Sig. (2-tailed)		.007	.001	.000
	N	82	82	82	82
Customer Interaction 2	Pearson Correlation	.294**	1	.221*	.354**
	Sig. (2-tailed)	.007		.046	.001
	N	82	82	82	82
Customer Interaction 3	Pearson Correlation	.347**	.221*	1	.322**
	Sig. (2-tailed)	.001	.046		.003
	N	82	82	82	82
Customer Interaction 4	Pearson Correlation	.400**	.354**	.322**	1
	Sig. (2-tailed)	.000	.001	.003	
	N	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.653	4

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Customer Interaction	11.3963	3.89399	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.975	49.377	49.377	1.975	49.377	49.377
2	.789	19.726	69.103			
3	.648	16.191	85.294			
4	.588	14.706	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
Customer Interaction 1	.740
Customer Interaction 2	.647
Customer Interaction 3	.660
Customer Interaction 4	.756

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.305[a]	.093	.033	3.82847	1.513

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Interaction

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	114.270	5	22.854	1.559	.182[a]
	Residual	1113.948	76	14.657		
	Total	1228.218	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Interaction

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	10.710	1.776		6.029	.000	7.172	14.248
	Ctrl Var 1 Industry Affiliation	-.082	.050	-.191	-1.628	.108	-.183	.018
	Ctrl Var 2 Firm Size Total Assets	-2.238E-7	.000	-.085	-.695	.489	.000	.000
	Ctrl Var 3 Firm Customer Categories	.450	.322	.160	1.396	.167	-.192	1.091
	Ctrl Var 4 Marcom Ratio	-1.494	3.337	-.052	-.448	.656	-8.141	5.152
	Variable Index	.022	.015	.161	1.409	.163	-.009	.052

a. Dependent Variable: Variable Customer Interaction

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	8.9801	13.8126	11.3963	1.18775	82
Residual	-10.03479	7.08796	.00000	3.70843	82
Std. Predicted Value	-2.034	2.034	.000	1.000	82
Std. Residual	-2.621	1.851	.000	.969	82

a. Dependent Variable: Variable Customer Interaction

***Table 24: Detailed Analysis for** H2 Computations: Variable Customer Orientation (VCO)*

			Customer Orientation 1	Customer Orientation 2	Customer Orientation 3	Customer Orientation 4	Customer Orientation 5	Customer Orientation 6
Spearman's rho	Customer Orientation 1	Correlation Coefficient	1.000	.472**	.360**	.527**	.474**	.386**
		Sig. (2-tailed)	.	.000	.001	.000	.000	.000
		N	82	82	82	82	82	82
	Customer Orientation 2	Correlation Coefficient	.472**	1.000	.661**	.633**	.353**	.318**
		Sig. (2-tailed)	.000	.	.000	.000	.001	.004
		N	82	82	82	82	82	82
	Customer Orientation 3	Correlation Coefficient	.360**	.661**	1.000	.488**	.359**	.417**
		Sig. (2-tailed)	.001	.000	.	.000	.001	.000
		N	82	82	82	82	82	82
	Customer Orientation 4	Correlation Coefficient	.527**	.633**	.488**	1.000	.633**	.486**
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000
		N	82	82	82	82	82	82
	Customer Orientation 5	Correlation Coefficient	.474**	.353**	.359**	.633**	1.000	.489**
		Sig. (2-tailed)	.000	.001	.001	.000	.	.000
		N	82	82	82	82	82	82
	Customer Orientation 6	Correlation Coefficient	.386**	.318**	.417**	.486**	.489**	1.000
		Sig. (2-tailed)	.000	.004	.000	.000	.000	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Customer Orientation	23.7958	5.71390	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Reliability Statistics

Cronbach's Alpha	N of Items
.854	6

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.511	58.520	58.520	3.511	58.520	58.520
2	.909	15.147	73.667			
3	.576	9.596	83.263			
4	.424	7.072	90.334			
5	.334	5.573	95.908			
6	.246	4.092	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
Customer Orientation 1	.767
Customer Orientation 2	.756
Customer Orientation 3	.749
Customer Orientation 4	.846
Customer Orientation 5	.757
Customer Orientation 6	.709

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable Customer Orientation	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Customer Orientation	Correlation Coefficient	1.000	-.055	.403**	.172	.017	.637**
		Sig. (2-tailed)	.	.622	.000	.121	.882	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.055	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.622	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.403**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.172	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.121	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.017	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.882	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.637**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.642[a]	.412	.374	4.52149	1.829

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1090.801	5	218.160	10.671	.000[a]
	Residual	1553.735	76	20.444		
	Total	2644.537	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Customer Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	16.936	2.098		8.072	.000	12.757	21.114
	Ctrl Var 1 Industry Affiliation	-.028	.060	-.044	-.471	.639	-.147	.091
	Ctrl Var 2 Firm Size Total Assets	2.069E-7	.000	.053	.544	.588	.000	.000
	Ctrl Var 3 Firm Customer Categories	.382	.381	.093	1.004	.318	-.376	1.140
	Ctrl Var 4 Marcom Ratio	-.867	3.941	-.020	-.220	.826	-8.717	6.983
	Variable Index	.121	.018	.616	6.688	.000	.085	.157

a. Dependent Variable: Variable Customer Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	17.1811	30.1625	23.7958	3.66970	82
Residual	-15.60122	12.76376	.00000	4.37972	82
Std. Predicted Value	-1.803	1.735	.000	1.000	82
Std. Residual	-3.450	2.823	.000	.969	82

a. Dependent Variable: Variable Customer Orientation

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VCO	10.671	5	76	2.33492	10.671	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VCO	6.688	N/A	76	1.99167	6.688	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VCO	6.688	N/A	76	1.66515	6.688	>	1.66515	= reject the null hypothesis.

Table 25: Detailed Analysis for *H3 Computations: Variable Market Orientation (VMO)*

			Market Orientation 1	Market Orientation 2	Market Orientation 3	Market Orientation 4	Market Orientation 5	Market Orientation 6	Market Orientation 7	Market Orientation 8
Spearman's rho	Market Orientation 1	Correlation Coefficient	1.000	.570**	.460**	.304**	.448**	.354**	.305**	.321**
		Sig. (2-tailed)	.	.000	.000	.005	.000	.001	.005	.003
		N	82	82	82	82	82	82	82	82
	Market Orientation 2	Correlation Coefficient	.570**	1.000	.426**	.335**	.282*	.411**	.245*	.022
		Sig. (2-tailed)	.000	.	.000	.002	.010	.000	.027	.843
		N	82	82	82	82	82	82	82	82
	Market Orientation 3	Correlation Coefficient	.460**	.426**	1.000	.424**	.237*	.417**	.215	.127
		Sig. (2-tailed)	.000	.000	.	.000	.032	.000	.053	.255
		N	82	82	82	82	82	82	82	82
	Market Orientation 4	Correlation Coefficient	.304**	.335**	.424**	1.000	.313**	.296**	.327**	.128
		Sig. (2-tailed)	.005	.002	.000	.	.004	.007	.003	.250
		N	82	82	82	82	82	82	82	82
	Market Orientation 5	Correlation Coefficient	.448**	.282*	.237*	.313**	1.000	.150	.024	.375**
		Sig. (2-tailed)	.000	.010	.032	.004	.	.180	.827	.001
		N	82	82	82	82	82	82	82	82
	Market Orientation 6	Correlation Coefficient	.354**	.411**	.417**	.296**	.150	1.000	.384**	.119
		Sig. (2-tailed)	.001	.000	.000	.007	.180	.	.000	.287
		N	82	82	82	82	82	82	82	82
	Market Orientation 7	Correlation Coefficient	.305**	.245*	.215	.327**	.024	.384**	1.000	.380**
		Sig. (2-tailed)	.005	.027	.053	.003	.827	.000	.	.000
		N	82	82	82	82	82	82	82	82
	Market Orientation 8	Correlation Coefficient	.321**	.022	.127	.128	.375**	.119	.380**	1.000
		Sig. (2-tailed)	.003	.843	.255	.250	.001	.287	.000	.
		N	82	82	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.766	8

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Market Orientation	23.3576	5.11768	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.166	39.578	39.578	3.166	39.578	39.578
2	1.246	15.578	55.156	1.246	15.578	55.156
3	1.200	15.001	70.156	1.200	15.001	70.156
4	.756	9.447	79.603			
5	.545	6.817	86.420			
6	.504	6.302	92.722			
7	.309	3.867	96.588			
8	.273	3.412	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
Market Orientation 1	.793
Market Orientation 2	.768
Market Orientation 3	.696
Market Orientation 4	.628
Market Orientation 5	.564
Market Orientation 6	.622
Market Orientation 7	.476
Market Orientation 8	.372

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable Market Orientation	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Market Orientation	Correlation Coefficient	1.000	.038	.229*	-.014	.145	.464**
		Sig. (2-tailed)	.	.733	.038	.904	.192	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.038	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.733	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.229*	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.038	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	-.014	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.904	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.145	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.192	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.464**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.499[a]	.249	.199	4.57933	2.036

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Market Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	527.700	5	105.540	5.033	.000[a]
	Residual	1593.740	76	20.970		
	Total	2121.439	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Market Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	18.550	2.125		8.730	.000	14.318	22.782
	Ctrl Var 1 Industry Affiliation	.004	.060	.008	.074	.941	-.116	.125
	Ctrl Var 2 Firm Size Total Assets	2.196E-7	.000	.063	.570	.570	.000	.000
	Ctrl Var 3 Firm Customer Categories	-.088	.385	-.024	-.228	.820	-.856	.680
	Ctrl Var 4 Marcom Ratio	4.163	3.992	.110	1.043	.300	-3.787	12.113
	Variable Index	.080	.018	.456	4.376	.000	.044	.117

a. Dependent Variable: Variable Market Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	18.4765	28.2696	23.3576	2.55241	82
Residual	-9.90096	12.64513	.00000	4.43574	82
Std. Predicted Value	-1.912	1.924	.000	1.000	82
Std. Residual	-2.162	2.761	.000	.969	82

a. Dependent Variable: Variable Market Orientation

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VMO	5.033	5	76	2.33492	5.033	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VMO	4.376	N/A	76	1.99167	4.376	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VMO	4.376	N/A	76	1.66515	4.376	>	1.66515	= reject the null hypothesis.

***Table 26: Detailed Analysis for** Hi Computations: Variable External Orientation*

Correlations

		Variable Customer Orientation	Variable Customer Interaction	Variable Market Orientation
Variable Customer Orientation	Pearson Correlation	1	.271*	.739**
	Sig. (2-tailed)		.014	.000
	N	82	82	82
Variable Customer Interaction	Pearson Correlation	.271*	1	.296**
	Sig. (2-tailed)	.014		.007
	N	82	82	82
Variable Market Orientation	Pearson Correlation	.739**	.296**	1
	Sig. (2-tailed)	.000	.007	
	N	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Descriptive Statistics

	Mean	Std. Deviation	N
VEO3	9.8087	2.75631	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Reliability Statistics

Cronbach's Alpha	N of Items
.847	2

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.739	86.934	86.934	1.739	86.934	86.934
2	.261	13.066	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Variable Customer Orientation	.932
Variable Market Orientation	.932

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.650[a]	.422	.384	2.16323063	1.926

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable External Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	259.731	5	51.946	11.101	.000[a]
	Residual	355.647	76	4.680		
	Total	615.378	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable External Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	6.190	1.004		6.167	.000	4.191	8.189
	Ctrl Var 1 Industry Affiliation	-.023	.028	-.076	-.810	.421	-.080	.034
	Ctrl Var 2 Firm Size Total Assets	5.736E-8	.000	.031	.315	.754	.000	.000
	Ctrl Var 3 Firm Customer Categories	.223	.182	.112	1.224	.225	-.140	.585
	Ctrl Var 4 Marcom Ratio	1.657	1.886	.081	.879	.382	-2.098	5.413
	Variable Index	.058	.009	.614	6.725	.000	.041	.075

a. Dependent Variable: Variable External Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	6.6463351	13.4475794	9.8087317	1.79068460	82
Residual	-5.90044117	5.99100971	.00000000	2.09540083	82
Std. Predicted Value	-1.766	2.032	.000	1.000	82
Std. Residual	-2.728	2.769	.000	.969	82

a. Dependent Variable: Variable External Orientation

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VEO	11.101	5	76	2.33492	11.101	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VEO	6.725	N/A	76	1.99167	6.725	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VEO	6.725	N/A	76	1.66515	6.725	>	1.66515	= reject the null hypothesis.

Correlations

			Variable External Orientation	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable External Orientation	Correlation Coefficient	1.000	-.031	.421**	.182	.094	.640**
		Sig. (2-tailed)	.	.784	.000	.102	.401	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.031	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.784	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.421**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.182	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.102	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.094	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.401	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.640**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

***Table 27: Detailed Analysis for** H4 Computations: Variable Strategic Orientation (VSO)*

			Strategic Orientation 1	Strategic Orientation 2	Strategic Orientation 3	Strategic Orientation 4
Spearman's rho	Strategic Orientation 1	Correlation Coefficient	1.000	.536**	.470**	.121
		Sig. (2-tailed)	.	.000	.000	.281
		N	82	82	82	82
	Strategic Orientation 2	Correlation Coefficient	.536**	1.000	.449**	.021
		Sig. (2-tailed)	.000	.	.000	.854
		N	82	82	82	82
	Strategic Orientation 3	Correlation Coefficient	.470**	.449**	1.000	.229*
		Sig. (2-tailed)	.000	.000	.	.039
		N	82	82	82	82
	Strategic Orientation 4	Correlation Coefficient	.121	.021	.229*	1.000
		Sig. (2-tailed)	.281	.854	.039	.
		N	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.695	3

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Strategic Orientation	12.0661	3.32823	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.911	47.770	47.770	1.911	47.770	47.770
2	1.053	26.325	74.095	1.053	26.325	74.095
3	.573	14.316	88.411			
4	.464	11.589	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
Strategic Orientation 1	.812
Strategic Orientation 2	.787
Strategic Orientation 3	.756
Strategic Orientation 4	.244

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable Strategic Orientation	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Strategic Orientation	Correlation Coefficient	1.000	.071	.218*	.108	.064	.441**
		Sig. (2-tailed)	.	.528	.049	.335	.569	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.071	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.528	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.218*	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.049	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.108	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.335	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.064	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.569	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.441**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.456[a]	.208	.155	3.05853	2.014

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Strategic Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186.293	5	37.259	3.983	.003[a]
	Residual	710.950	76	9.355		
	Total	897.244	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Strategic Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.999	1.419		5.636	.000	5.172	10.825
	Ctrl Var 1 Industry Affiliation	.026	.040	.071	.649	.518	-.054	.106
	Ctrl Var 2 Firm Size Total Assets	7.175E-8	.000	.032	.279	.781	.000	.000
	Ctrl Var 3 Firm Customer Categories	.268	.257	.112	1.042	.301	-.244	.781
	Ctrl Var 4 Marcom Ratio	1.677	2.666	.068	.629	.531	-3.633	6.987
	Variable Index	.047	.012	.411	3.842	.000	.023	.071

a. Dependent Variable: Variable Strategic Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.0846	14.8767	12.0661	1.51655	82
Residual	-4.61459	7.26272	.00000	2.96263	82
Std. Predicted Value	-1.966	1.853	.000	1.000	82
Std. Residual	-1.509	2.375	.000	.969	82

a. Dependent Variable: Variable Strategic Orientation

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VSO	3.983	5	76	2.33492	3.983	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VSO	3.842	N/A	76	1.99167	3.842	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VSO	3.842	N/A	76	1.66515	3.842	>	1.66515	= reject the null hypothesis.

***Table 28: Detailed Analysis for** H5 Computations: Variable Strategic CSR Intention (VCSRINT)*

			Strategic CSR Intent 1	Strategic CSR Intent 2	Strategic CSR Intent 3	Strategic CSR Intent 4
Spearman's rho	Strategic CSR Intent 1	Correlation Coefficient	1.000	.580**	.345**	.356**
		Sig. (2-tailed)	.	.000	.002	.001
		N	82	82	82	82
	Strategic CSR Intent 2	Correlation Coefficient	.580**	1.000	.434**	.353**
		Sig. (2-tailed)	.000	.	.000	.001
		N	82	82	82	82
	Strategic CSR Intent 3	Correlation Coefficient	.345**	.434**	1.000	.653**
		Sig. (2-tailed)	.002	.000	.	.000
		N	82	82	82	82
	Strategic CSR Intent 4	Correlation Coefficient	.356**	.353**	.653**	1.000
		Sig. (2-tailed)	.001	.001	.000	.
		N	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.791	4

Descriptive Statistics

	Mean	Std. Deviation	N
Variable CSR Intention	16.3661	4.21932	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.499	62.466	62.466	2.499	62.466	62.466
2	.777	19.433	81.899			
3	.421	10.522	92.422			
4	.303	7.578	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
Vol CSR alt Measure Intent 1	.738
Vol CSR alt Measure Intent 2	.810
Vol CSR alt Measure Intent 3	.817
Vol CSR alt Measure Intent 4	.793

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable CSR Intention	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable CSR Intention	Correlation Coefficient	1.000	-.013	.416**	.120	.050	.625**
		Sig. (2-tailed)	.	.906	.000	.281	.654	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.013	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.906	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.416**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.120	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.281	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.050	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.654	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.625**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.627[a]	.394	.354	3.39172	1.877

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable CSR Intention

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	567.726	5	113.545	9.870	.000[a]
	Residual	874.288	76	11.504		
	Total	1442.014	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable CSR Intention

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	11.625	1.574		7.387	.000	8.490	14.759
	Ctrl Var 1 Industry Affiliation	-.021	.045	-.044	-.462	.645	-.110	.068
	Ctrl Var 2 Firm Size Total Assets	1.873E-7	.000	.066	.656	.514	.000	.000
	Ctrl Var 3 Firm Customer Categories	.178	.285	.059	.625	.534	-.390	.747
	Ctrl Var 4 Marcom Ratio	-.202	2.956	-.006	-.068	.946	-6.090	5.686
	Variable Index	.087	.014	.603	6.445	.000	.060	.114

a. Dependent Variable: Variable CSR Intention

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.7394	20.8672	16.3661	2.64744	82
Residual	-10.60245	9.08964	.00000	3.28537	82
Std. Predicted Value	-1.748	1.700	.000	1.000	82
Std. Residual	-3.126	2.680	.000	.969	82

a. Dependent Variable: Variable CSR Intention

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VCSRINT	9.870	5	76	2.33492	9.87	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VCSRINT	6.445	N/A	76	1.99167	6.445	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VCSRINT	6.445	N/A	76	1.66515	6.445	>	1.66515	= reject the null hypothesis.

Table 29: Detailed Analysis for *H6 Computations: Variable Decision Structure (VCSROM)*

			CSR mgmt/ Op Decision making 1	CSR mgmt/ Op Decision making 2	CSR mgmt/ Op Decision making 3
Spearman's rho	CSR mgmt/ Op Decision making 1	Correlation Coefficient	1.000	.586**	.451**
		Sig. (2-tailed)	.	.000	.000
		N	82	82	82
	CSR mgmt/ Op Decision making 2	Correlation Coefficient	.586**	1.000	.817**
		Sig. (2-tailed)	.000	.	.000
		N	82	82	82
	CSR mgmt/ Op Decision making 3	Correlation Coefficient	.451**	.817**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.844	3

Descriptive Statistics

	Mean	Std. Deviation	N
Variable CSR Decision Structure	10.1721	4.62117	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.298	76.615	76.615	2.298	76.615	76.615
2	.542	18.074	94.689			
3	.159	5.311	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
CSR mgmt/ Op Decision making 1	.782
CSR mgmt/ Op Decision making 2	.938
CSR mgmt/ Op Decision making 3	.899

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable CSR Operative Mgmt	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable CSR Operative Mgmt	Correlation Coefficient	1.000	.135	.220*	-.185	.091	.455**
		Sig. (2-tailed)	.	.227	.047	.096	.416	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.135	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.227	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.220*	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.047	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	-.185	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.096	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.091	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.416	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.455**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Vol CSR Decision Making committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	68	82.9	82.9	82.9
	Yes	14	17.1	17.1	100.0
	Total	82	100.0	100.0	

Vol CSR Decision Making CSR mgr

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	52	63.4	63.4	63.4
	Yes	30	36.6	36.6	100.0
	Total	82	100.0	100.0	

Correlations

			Vol CSR Decision Making committee	Vol CSR Decision Making CSR mgr	Vol CSR Decision Making SustMgr	Vol CSR Decision Making TMT	Vol CSR Decision Making COO	Vol CSR Decision Making Board Dir	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Vol CSR Decision Making committee	Correlation Coefficient	1.000	-.008	-.096	.007	-.088	-.034	.051	-.026	-.174	.103	-.090
		Sig. (2-tailed)	.	.942	.390	.951	.430	.764	.646	.817	.118	.359	.419
		N	82	82	82	82	82	82	82	82	82	82	82
	Vol CSR Decision Making CSR mgr	Correlation Coefficient	-.008	1.000	-.028	-.124	.122	-.210	.058	.225*	-.150	.141	.258*
		Sig. (2-tailed)	.942	.	.803	.269	.276	.058	.606	.042	.179	.208	.019
		N	82	82	82	82	82	82	82	82	82	82	82
	Vol CSR Decision Making SustMgr	Correlation Coefficient	-.096	-.028	1.000	.191	-.081	-.188	-.112	.283*	.418**	-.007	.347**
		Sig. (2-tailed)	.390	.803	.	.086	.471	.091	.318	.010	.000	.948	.001
		N	82	82	82	82	82	82	82	82	82	82	82
	Vol CSR Decision Making TMT	Correlation Coefficient	.007	-.124	.191	1.000	-.160	.149	-.144	.198	.124	-.063	.131
		Sig. (2-tailed)	.951	.269	.086	.	.151	.180	.198	.074	.266	.571	.239
		N	82	82	82	82	82	82	82	82	82	82	82
	Vol CSR Decision Making COO	Correlation Coefficient	-.088	.122	-.081	-.160	1.000	-.088	.058	-.202	-.021	-.023	-.188
		Sig. (2-tailed)	.430	.276	.471	.151	.	.430	.606	.069	.851	.835	.091
		N	82	82	82	82	82	82	82	82	82	82	82
	Vol CSR Decision Making Board Dir	Correlation Coefficient	-.034	-.210	-.188	.149	-.088	1.000	-.188	.053	-.039	.070	.075
		Sig. (2-tailed)	.764	.058	.091	.180	.430	.	.091	.634	.731	.533	.501
		N	82	82	82	82	82	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.051	.058	-.112	-.144	.058	-.188	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.646	.606	.318	.198	.606	.091	.	.460	.054	.761	.443
		N	82	82	82	82	82	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	-.026	.225*	.283*	.198	-.202	.053	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.817	.042	.010	.074	.069	.634	.460	.	.077	.457	.000
		N	82	82	82	82	82	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	-.174	-.150	.418**	.124	-.021	-.039	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.118	.179	.000	.266	.851	.731	.054	.077	.	.092	.602
		N	82	82	82	82	82	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.103	.141	-.007	-.063	-.023	.070	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.359	.208	.948	.571	.835	.533	.761	.457	.092	.	.539
		N	82	82	82	82	82	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	-.090	.258*	.347**	.131	-.188	.075	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.419	.019	.001	.239	.091	.501	.443	.000	.602	.539	.
		N	82	82	82	82	82	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

		Vol CSR Decision Making committee	Vol CSR Decision Making CSR mgr	Vol CSR Decision Making SustMgr	Vol CSR Decision Making BDM	Vol CSR Decision Making Mktg Mgr	Vol CSR Decision Making SalesMgr	Vol CSR Decision Making TMT	Vol CSR Decision Making COO	Vol CSR Decision Making CEO	Vol CSR Decision Making Board Dir	Vol CSR Decision Making owners	Vol CSR Decision Making other	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Vol CSR Decision Making committee	Correlation Coefficient	1.000	-.008	-.096	.093	-.149	-.050	.007	-.088	-.183	-.034	-.103	-.139	.051	-.026	-.174	.103	-.090
	Sig. (2-tailed)	.	.942	.390	.404	.181	.653	.951	.430	.099	.764	.358	.214	.646	.817	.118	.359	.419
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making CSR mgr	Correlation Coefficient	-.008	1.000	-.028	-.051	-.250*	.145	-.124	.122	.120	-.210	-.172	-.051	.058	.225*	-.150	.141	.258*
	Sig. (2-tailed)	.942	.	.803	.650	.024	.190	.269	.276	.284	.058	.122	.650	.606	.042	.179	.208	.019
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making SustMgr	Correlation Coefficient	-.096	-.028	1.000	-.126	-.020	-.045	.191	-.081	.010	-.188	-.094	-.126	-.112	.283*	.418**	-.007	.347**
	Sig. (2-tailed)	.390	.803	.	.257	.859	.682	.086	.471	.928	.091	.402	.257	.318	.010	.000	.948	.001
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making BDM	Correlation Coefficient	.093	-.051	-.126	1.000	-.100	-.034	-.187	-.060	.051	-.139	-.069	-.093	.142	-.159	-.210	.058	.077
	Sig. (2-tailed)	.404	.650	.257	.	.369	.762	.092	.595	.648	.214	.537	.404	.202	.152	.058	.604	.494
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making Mktg Mgr	Correlation Coefficient	-.149	-.250*	-.020	-.100	1.000	-.037	-.421**	-.064	-.321**	-.149	.307**	.488**	.068	-.075	.216	-.255*	-.115
	Sig. (2-tailed)	.181	.024	.859	.369	.	.745	.000	.567	.003	.181	.005	.000	.545	.505	.051	.021	.305
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making SalesMgr	Correlation Coefficient	-.050	.146	-.046	-.034	-.037	1.000	.071	-.022	-.108	-.050	-.025	-.034	.054	.110	-.089	-.171	.040
	Sig. (2-tailed)	.653	.190	.682	.762	.745	.	.523	.847	.332	.653	.822	.762	.629	.324	.426	.124	.722
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making TMT	Correlation Coefficient	.007	-.124	.191	-.187	-.421**	.071	1.000	-.160	-.016	.149	-.103	-.475**	-.144	.198	.124	-.063	.131
	Sig. (2-tailed)	.951	.269	.086	.092	.000	.523	.	.151	.889	.180	.356	.000	.198	.074	.266	.571	.239
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making COO	Correlation Coefficient	-.088	.122	-.081	-.060	-.064	-.022	-.160	1.000	.200	-.088	-.044	-.060	.058	-.202	-.021	-.023	-.188
	Sig. (2-tailed)	.430	.276	.471	.595	.567	.847	.151	.	.072	.430	.694	.595	.606	.069	.851	.835	.091
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making CEO	Correlation Coefficient	-.183	.120	.010	.051	-.321**	-.108	-.016	.200	1.000	.206	-.221*	-.211	-.081	-.016	-.080	.267*	.036
	Sig. (2-tailed)	.099	.284	.928	.648	.003	.332	.889	.072	.	.064	.046	.057	.469	.887	.476	.015	.751
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making Board Dir	Correlation Coefficient	-.034	-.210	-.188	-.139	-.149	-.050	.149	-.088	.206	1.000	.198	-.139	-.188	.053	-.019	.070	.075
	Sig. (2-tailed)	.764	.058	.091	.214	.181	.653	.180	.430	.064	.	.074	.214	.091	.634	.731	.533	.501
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making owners	Correlation Coefficient	-.103	-.172	-.094	-.069	.307**	-.025	-.103	-.044	-.221*	.198	1.000	.336**	-.004	-.026	.104	.053	.050
	Sig. (2-tailed)	.358	.122	.402	.537	.005	.822	.356	.694	.046	.074	.	.002	.974	.814	.351	.639	.654
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Vol CSR Decision Making other	Correlation Coefficient	-.139	-.051	-.126	-.093	.488**	-.034	-.475**	-.060	-.211	-.139	.336**	1.000	-.025	-.069	.102	-.152	-.071
	Sig. (2-tailed)	.214	.650	.257	.404	.000	.762	.000	.595	.057	.214	.002	.	.824	.537	.361	.172	.526
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.051	.058	-.112	.142	.068	.054	-.144	.058	-.081	-.188	-.004	-.025	1.000	-.083	-.213	.034	.086
	Sig. (2-tailed)	.646	.606	.318	.202	.545	.629	.198	.606	.469	.091	.974	.824	.	.460	.064	.761	.443
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	-.026	.225*	.283*	-.159	-.075	.110	.198	-.202	-.016	.053	-.026	-.069	-.083	1.000	.196	-.083	.558**
	Sig. (2-tailed)	.817	.042	.010	.152	.505	.324	.074	.069	.887	.634	.814	.537	.460	.	.077	.457	.000
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	-.174	-.150	.418**	-.210	.216	-.089	.124	-.021	-.080	-.039	.104	.102	-.213	.196	1.000	-.187	.059
	Sig. (2-tailed)	.118	.179	.000	.058	.051	.425	.266	.851	.476	.731	.351	.361	.054	.077	.	.092	.602
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.103	.141	-.007	.058	-.255*	-.171	-.063	-.023	.267*	.070	.053	-.152	.034	-.083	-.187	1.000	.069
	Sig. (2-tailed)	.359	.208	.948	.604	.021	.124	.571	.835	.015	.533	.639	.172	.761	.457	.092	.	.539
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Variable Index	Correlation Coefficient	-.090	.258*	.347**	.077	-.115	.040	.131	-.188	.036	.075	.050	-.071	.086	.558**	.059	.069	1.000
	Sig. (2-tailed)	.419	.019	.001	.494	.305	.722	.239	.091	.751	.501	.654	.526	.443	.000	.602	.539	.
	N	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.530[a]	.281	.234	4.04568567	1.935

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Operative Mgmt

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	485.835	5	97.167	5.937	.000[a]
	Residual	1243.936	76	16.368		
	Total	1729.770	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Operative Mgmt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.868	1.877		4.191	.000	4.129	11.607
	Ctrl Var 1 Industry Affiliation	-.001	.053	-.002	-.018	.986	-.107	.105
	Ctrl Var 2 Firm Size Total Assets	-6.204E-7	.000	-.198	-1.823	.072	.000	.000
	Ctrl Var 3 Firm Customer Categories	-.607	.340	-.182	-1.782	.079	-1.285	.072
	Ctrl Var 4 Marcom Ratio	1.742	3.527	.051	.494	.623	-5.281	8.766
	Variable Index	.080	.016	.504	4.946	.000	.048	.112

a. Dependent Variable: Variable CSR Operative Mgmt

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.5300145	14.7244921	10.1721220	2.44907371	82
Residual	-8.15804005	10.96299171	.00000000	3.91882999	82
Std. Predicted Value	-1.895	1.859	.000	1.000	82
Std. Residual	-2.016	2.710	.000	.969	82

a. Dependent Variable: Variable CSR Operative Mgmt

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VCSROM	5.937	5	76	2.33492	5.937	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VCSROM	4.946	N/A	76	1.99167	4.946	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VCSROM	4.946	N/A	76	1.66515	4.946	>	1.66515	= reject the null hypothesis.

***Table 30: Detailed Analysis for** H7 Computations: Variable Industrial Standards (VISO)*

			CSR Mgmt/Stds ISO 9001	CSR Mgmt/Stds ISO 14001	CSR Mgmt/Stds ISO 26000
Spearman's rho	CSR Mgmt/Stds ISO 9001	Correlation Coefficient	1.000	.593**	.344**
		Sig. (2-tailed)	.	.000	.002
		N	82	82	82
	CSR Mgmt/Stds ISO 14001	Correlation Coefficient	.593**	1.000	.575**
		Sig. (2-tailed)	.000	.	.000
		N	82	82	82
	CSR Mgmt/Stds ISO 26000	Correlation Coefficient	.344**	.575**	1.000
		Sig. (2-tailed)	.002	.000	.
		N	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.738	3

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Industrial Standards	12.1634634	3.43008951	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.985	66.162	66.162	1.985	66.162	66.162
2	.668	22.263	88.426			
3	.347	11.574	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
CSR Mgmt/Stds ISO 9001	.800
CSR Mgmt/Stds ISO 14001	.888
CSR Mgmt/Stds ISO 26000	.746

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable Industrial Standards	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Industrial Standards	Correlation Coefficient	1.000	-.022	.420**	.113	.095	.619**
		Sig. (2-tailed)	.	.843	.000	.313	.395	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.022	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.843	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.420**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.113	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.313	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.095	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.395	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.619**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.627[a]	.394	.354	2.75752161	1.887

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable Industrial Standards

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	375.108	5	75.022	9.866	.000[a]
	Residual	577.898	76	7.604		
	Total	953.007	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable Industrial Standards

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	8.350	1.279		6.526	.000	5.802	10.899
	Ctrl Var 1 Industry Affiliation	-.027	.036	-.072	-.754	.453	-.100	.045
	Ctrl Var 2 Firm Size Total Assets	1.261E-7	.000	.054	.544	.588	.000	.000
	Ctrl Var 3 Firm Customer Categories	.134	.232	.054	.576	.567	-.329	.596
	Ctrl Var 4 Marcom Ratio	.906	2.404	.036	.377	.707	-3.881	5.694
	Variable Index	.071	.011	.602	6.435	.000	.049	.093

a. Dependent Variable: Variable Industrial Standards

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	8.3474588	16.0899239	12.1634634	2.15196811	82
Residual	-7.34686804	7.29558659	.00000000	2.67105734	82
Std. Predicted Value	-1.773	1.825	.000	1.000	82
Std. Residual	-2.664	2.646	.000	.969	82

a. Dependent Variable: Variable Industrial Standards

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VISO	9.866	5	76	2.33492	9.866	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VISO	6.435	N/A	76	1.99167	6.435	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VISO	6.435	N/A	76	1.66515	6.435	>	1.66515	= reject the null hypothesis.

Table 31: Detailed Analysis for *H8a Computations: Variable Communication Timing (VCommTim)*

			CSR Communication Timing 1	CSR Communication Timing 2	CSR Communication Timing 3	CSR mgmt/ Op Decision making 1	CSR mgmt/ Op Decision making 2	CSR mgmt/ Op Decision making 3
Spearman's rho	CSR Communication Timing 1	Correlation Coefficient	1.000	.350**	.330**	.423**	.307**	.199
		Sig. (2-tailed)	.	.001	.002	.000	.005	.074
		N	82	82	82	82	82	82
	CSR Communication Timing 2	Correlation Coefficient	.350**	1.000	.100	.628**	.527**	.414**
		Sig. (2-tailed)	.001	.	.372	.000	.000	.000
		N	82	82	82	82	82	82
	CSR Communication Timing 3	Correlation Coefficient	.330**	.100	1.000	.023	.015	.092
		Sig. (2-tailed)	.002	.372	.	.837	.897	.462
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 1	Correlation Coefficient	.423**	.628**	.023	1.000	.586**	.451**
		Sig. (2-tailed)	.000	.000	.837	.	.000	.000
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 2	Correlation Coefficient	.307**	.527**	.015	.586**	1.000	.817**
		Sig. (2-tailed)	.005	.000	.897	.000	.	.000
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 3	Correlation Coefficient	.199	.414**	.082	.451**	.817**	1.000
		Sig. (2-tailed)	.074	.000	.462	.000	.000	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.542	3

Descriptive Statistics

	Mean	Std. Deviation	N
Variable CSR Comm Timing	10.9350	3.00953	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.579	52.637	52.637	1.579	52.637	52.637
2	.873	29.113	81.750			
3	.548	18.250	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Comp...
	1
CSR Communication Timing 1	.832
CSR Communication Timing 2	.633
CSR Communication Timing 3	.698

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Correlations

			Variable CSR Comm Timing	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable CSR Comm Timing	Correlation Coefficient	1.000	.007	.411**	.134	.089	.613**
		Sig. (2-tailed)	.	.949	.000	.230	.426	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.007	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.949	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.411**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.134	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.230	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.089	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.426	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.613**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.618[a]	.381	.341	2.44351	1.866

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Timing

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	279.865	5	55.973	9.375	.000[a]
	Residual	453.776	76	5.971		
	Total	733.641	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Timing

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.512	1.134		6.626	.000	5.254	9.770
	Ctrl Var 1 Industry Affiliation	-.023	.032	-.068	-.699	.486	-.087	.042
	Ctrl Var 2 Firm Size Total Assets	8.978E-8	.000	.044	.437	.664	.000	.000
	Ctrl Var 3 Firm Customer Categories	.132	.206	.061	.641	.523	-.278	.541
	Ctrl Var 4 Marcom Ratio	1.130	2.130	.051	.530	.597	-3.113	5.372
	Variable Index	.061	.010	.593	6.274	.000	.042	.081

a. Dependent Variable: Variable CSR Comm Timing

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.6097	14.4167	10.9350	1.85880	82
Residual	-6.83121	6.31865	.00000	2.36689	82
Std. Predicted Value	-1.789	1.873	.000	1.000	82
Std. Residual	-2.796	2.586	.000	.969	82

a. Dependent Variable: Variable CSR Comm Timing

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VCommTim	9.375	5	76	2.33492	9.375	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VCommTim	6.274	N/A	76	1.99167	6.274	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VCommTim	6.274	N/A	76	1.66515	6.274	>	1.66515	= reject the null hypothesis.

***Table 32: Detailed Analysis for** H8b Computations: Variable Communication Design (VCommDes)*

			CSR Communication Timing 1	CSR Communication Timing 2	CSR Communication Timing 3	CSR mgmt/ Op Decision making 1	CSR mgmt/ Op Decision making 2	CSR mgmt/ Op Decision making 3
Spearman's rho	CSR Communication Timing 1	Correlation Coefficient	1.000	.350**	.330**	.423**	.307**	.199
		Sig. (2-tailed)	.	.001	.002	.000	.005	.074
		N	82	82	82	82	82	82
	CSR Communication Timing 2	Correlation Coefficient	.350**	1.000	.100	.628**	.527**	.414**
		Sig. (2-tailed)	.001	.	.372	.000	.000	.000
		N	82	82	82	82	82	82
	CSR Communication Timing 3	Correlation Coefficient	.330**	.100	1.000	.023	.015	.082
		Sig. (2-tailed)	.002	.372	.	.837	.897	.462
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 1	Correlation Coefficient	.423**	.628**	.023	1.000	.586**	.451**
		Sig. (2-tailed)	.000	.000	.837	.	.000	.000
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 2	Correlation Coefficient	.307**	.527**	.015	.586**	1.000	.817**
		Sig. (2-tailed)	.005	.000	.897	.000	.	.000
		N	82	82	82	82	82	82
	CSR mgmt/ Op Decision making 3	Correlation Coefficient	.199	.414**	.082	.451**	.817**	1.000
		Sig. (2-tailed)	.074	.000	.462	.000	.000	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.597	3

Descriptive Statistics

	Mean	Std. Deviation	N
Variable CSR Comm Design	11.2821	3.13003	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.681	56.017	56.017	1.681	56.017	56.017	1.225	40.834	40.834
2	.767	25.579	81.596	.767	25.579	81.596	1.223	40.762	81.596
3	.552	18.404	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix[a]

	Component	
	1	2
CSR Communication Design 1	.579	.576
CSR Communication Design 2	.066	.942
CSR Communication Design 3	.941	.065

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Component Matrix[a]

	Component
	1
CSR Communication Design 1	.817
CSR Communication Design 2	.712
CSR Communication Design 3	.712

Extraction Method: Principal Compcnent Analysis.

a. 1 components extracted.

Correlations

			Variable CSR Comm Design	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable CSR Comm Design	Correlation Coefficient	1.000	.000	.413**	.141	.089	.617**
		Sig. (2-tailed)	.	.999	.000	.206	.427	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	.000	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.999	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.413**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.141	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.206	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.089	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.427	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.617**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.621[a]	.386	.346	2.53191	1.874

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Design

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	306.362	5	61.272	9.558	.000[a]
	Residual	487.204	76	6.411		
	Total	793.566	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable CSR Comm Design

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.750	1.175		6.597	.000	5.410	10.090
	Ctrl Var 1 Industry Affiliation	-.024	.033	-.069	-.719	.474	-.090	.042
	Ctrl Var 2 Firm Size Total Assets	1.013E-7	.000	.048	.475	.636	.000	.000
	Ctrl Var 3 Firm Customer Categories	.131	.213	.058	.617	.539	-.293	.556
	Ctrl Var 4 Marcom Ratio	1.050	2.207	.045	.476	.636	-3.346	5.445
	Variable Index	.064	.010	.596	6.335	.000	.044	.084

a. Dependent Variable: Variable CSR Comm Design

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	7.8136	14.8903	11.2821	1.94480	82
Residual	-6.96664	6.60536	.00000	2.45252	82
Std. Predicted Value	-1.783	1.855	.000	1.000	82
Std. Residual	-2.752	2.609	.000	.969	82

a. Dependent Variable: Variable CSR Comm Design

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VCommDes	9.558	5	76	2.33492	9.558	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VCommDes	6.335	N/A	76	1.99167	6.335	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VCommDes	6.335	N/A	76	1.66515	6.335	>	1.66515	= reject the null hypothesis.

***Table 33: Detailed Analysis for** Hii Computations: Variable Internal Orientation*

Correlations

			Variable Strategic Orientation	Variable CSR Operative Mgmt	Variable CSR Intention	Variable CSR Comm Timing	Variable CSR Comm Design	Variable Industrial Standards
Spearman's rho	Variable Strategic Orientation	Correlation Coefficient	1.000	.271*	.625**	.610**	.615**	.634**
		Sig. (2-tailed)	.	.014	.000	.000	.000	.000
		N	82	82	82	82	82	82
	Variable CSR Operative Mgmt	Correlation Coefficient	.271*	1.000	.378**	.390**	.393**	.384**
		Sig. (2-tailed)	.014	.	.000	.000	.000	.000
		N	82	82	82	82	82	82
	Variable CSR Intention	Correlation Coefficient	.625**	.378**	1.000	.975**	.976**	.976**
		Sig. (2-tailed)	.000	.000	.	.000	.000	.000
		N	82	82	82	82	82	82
	Variable CSR Comm Timing	Correlation Coefficient	.610**	.390**	.975**	1.000	.999**	.989**
		Sig. (2-tailed)	.000	.000	.000	.	.000	.000
		N	82	82	82	82	82	82
	Variable CSR Comm Design	Correlation Coefficient	.615**	.393**	.976**	.999**	1.000	.992**
		Sig. (2-tailed)	.000	.000	.000	.000	.	.000
		N	82	82	82	82	82	82
	Variable Industrial Standards	Correlation Coefficient	.634**	.384**	.976**	.989**	.992**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.
		N	82	82	82	82	82	82

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Internal Orientation	26.7006341	6.36623001	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Reliability Statistics

Cronbach's Alpha	N of Items
.912	6

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.621	77.009	77.009	4.621	77.009	77.009
2	.818	13.627	90.636			
3	.529	8.814	99.451			
4	.030	.503	99.954			
5	.003	.046	100.000			
6	2.572E-7	4.287E-6	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Variable Strategic Orientation	.725
Variable CSR Operative Mgmt	.472
Variable CSR Intention	.978
Variable CSR Comm Timing	.985
Variable CSR Comm Design	.986
Variable Industrial Standards	.987

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.620[a]	.385	.344	5.15582218	1.839

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable Internal Orientation

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1262.569	5	252.514	9.499	.000[a]
	Residual	2020.270	76	26.583		
	Total	3282.840	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets

b. Dependent Variable: Variable Internal Orientation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	19.318	2.392		8.075	.000	14.553	24.083
	Ctrl Var 1 Industry Affiliation	-.026	.068	-.037	-.380	.705	-.161	.109
	Ctrl Var 2 Firm Size Total Assets	2.185E-7	.000	.051	.504	.616	.000	.000
	Ctrl Var 3 Firm Customer Categories	.417	.434	.091	.961	.339	-.447	1.281
	Ctrl Var 4 Marcom Ratio	-1.459	4.494	-.031	-.325	.746	-10.410	7.492
	Variable Index	.130	.021	.595	6.315	.000	.089	.171

a. Dependent Variable: Variable Internal Orientation

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	19.4955692	33.5603294	26.7006341	3.94807262	82
Residual	-17.89374161	13.83546925	.00000000	4.99415730	82
Std. Predicted Value	-1.825	1.737	.000	1.000	82
Std. Residual	-3.471	2.683	.000	.969	82

a. Dependent Variable: Variable Internal Orientation

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VIO	9.499	5	76	2.33492	9.499	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VIO	6.315	N/A	76	1.99167	6.315	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VIO	6.315	N/A	76	1.66515	6.315	>	1.66515	= reject the null hypothesis.

Correlations

			Variable Internal Orientation	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Internal Orientation	Correlation Coefficient	1.000	-.061	.375**	.155	.003	.600**
		Sig. (2-tailed)	.	.585	.001	.164	.978	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.061	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.585	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.375**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.001	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.155	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.164	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.003	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.978	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.600**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

***Table 34: Detailed Analysis for** Hiii Computations: Variable Firm Performance*

Correlations

			Performance Operating Profit	Performance Sales Growth	Performance Market Share
Spearman's rho	Performance Operating Profit	Correlation Coefficient	1.000	.664**	.478**
		Sig. (2-tailed)	.	.000	.000
		N	82	82	82
	Performance Sales Growth	Correlation Coefficient	.664**	1.000	.721**
		Sig. (2-tailed)	.000	.	.000
		N	82	82	82
	Performance Market Share	Correlation Coefficient	.478**	.721**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

Reliability Statistics

Cronbach's Alpha	N of Items
.844	3

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.329	77.632	77.632	2.329	77.632	77.632
2	.483	16.106	93.738			
3	.188	6.262	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
Performance Operating Profit	.831
Performance Sales Growth	.938
Performance Market Share	.871

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Descriptive Statistics

	Mean	Std. Deviation	N
Variable Firm Performance	13.1371	3.71869	82
Ctrl Var 1 Industry Affiliation	17.7805	9.06223	82
Ctrl Var 2 Firm Size Total Assets	403077.1107	1476327.001	82
Ctrl Var 3 Firm Customer Categories	3.1098	1.38783	82
Ctrl Var 4 Marcom Ratio	.185758	.1349933	82
Variable Index	51.6341	29.07483	82

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.624[a]	.389	.349	3.00003	1.883

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Firm Performance

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	436.107	5	87.221	9.691	.000[a]
	Residual	684.012	76	9.000		
	Total	1120.119	81			

a. Predictors: (Constant), Variable Index, Ctrl Var 3 Firm Customer Categories, Ctrl Var 4 Marcom Ratio, Ctrl Var 1 Industry Affiliation, Ctrl Var 2 Firm Size Total Assets
b. Dependent Variable: Variable Firm Performance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	9.078	1.392		6.521	.000	6.306	11.850
	Ctrl Var 1 Industry Affiliation	-.030	.040	-.072	-.747	.457	-.108	.049
	Ctrl Var 2 Firm Size Total Assets	1.414E-7	.000	.056	.560	.577	.000	.000
	Ctrl Var 3 Firm Customer Categories	.132	.252	.049	.521	.604	-.371	.634
	Ctrl Var 4 Marcom Ratio	.873	2.615	.032	.334	.739	-4.335	6.081
	Variable Index	.077	.012	.599	6.382	.000	.053	.101

a. Dependent Variable: Variable Firm Performance

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.0233	17.3270	13.1371	2.32035	82
Residual	-7.93416	7.87142	.00000	2.90596	82
Std. Predicted Value	-1.773	1.806	.000	1.000	82
Std. Residual	-2.645	2.624	.000	.969	82

a. Dependent Variable: Variable Firm Performance

1. MODEL TESTING								
Variable	**F-statistic**	**df1**	**df2**	**F-critical value**	**Hypothesis testing**			**Result**
VFP	9.691	5	76	2.33492	9.691	>	2.33492	= reject the null hypothesis.
2. INDIVIDUAL VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**	**T-critical value**	**Hypothesis testing**			**Result**
VFP	6.382	N/A	76	1.99167	6.382	>	1.99167	= reject the null hypothesis.
3. TARGET VARIABLE TESTING								
Variable	**T-statistic**	**df1**	**df2**		**Hypothesis testing**			**Result**
VFP	6.382	N/A	76	1.66515	6.382	>	1.66515	= reject the null hypothesis.

Correlations

			Variable Firm Performance	Ctrl Var 1 Industry Affiliation	Ctrl Var 2 Firm Size Total Assets	Ctrl Var 3 Firm Customer Categories	Ctrl Var 4 Marcom Ratio	Variable Index
Spearman's rho	Variable Firm Performance	Correlation Coefficient	1.000	-.028	.419**	.099	.094	.616**
		Sig. (2-tailed)	.	.801	.000	.376	.403	.000
		N	82	82	82	82	82	82
	Ctrl Var 1 Industry Affiliation	Correlation Coefficient	-.028	1.000	-.083	-.213	.034	.086
		Sig. (2-tailed)	.801	.	.460	.054	.761	.443
		N	82	82	82	82	82	82
	Ctrl Var 2 Firm Size Total Assets	Correlation Coefficient	.419**	-.083	1.000	.196	-.083	.558**
		Sig. (2-tailed)	.000	.460	.	.077	.457	.000
		N	82	82	82	82	82	82
	Ctrl Var 3 Firm Customer Categories	Correlation Coefficient	.099	-.213	.196	1.000	-.187	.059
		Sig. (2-tailed)	.376	.054	.077	.	.092	.602
		N	82	82	82	82	82	82
	Ctrl Var 4 Marcom Ratio	Correlation Coefficient	.094	.034	-.083	-.187	1.000	.069
		Sig. (2-tailed)	.403	.761	.457	.092	.	.539
		N	82	82	82	82	82	82
	Variable Index	Correlation Coefficient	.616**	.086	.558**	.059	.069	1.000
		Sig. (2-tailed)	.000	.443	.000	.602	.539	.
		N	82	82	82	82	82	82

**. Correlation is significant at the 0.01 level (2-tailed).

***Table 35: Detailed Analysis for** Discriminant Analysis of 'External Orientation'*

Box's M		16.459
F	Approx.	2.629
	df1	6
	df2	39567.693
	Sig.	.015

Tests null hypothesis of equal population covariance matrices.

Chart 1 to Discriminant Analysis 1 (External Orientation): Box's Test

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.680	30.262	3	.000

Chart 2 to Discriminant Analysis 1 (External Orientation): Wilks' Lambda

	Function
	1
Variable Customer Orientation	.773
Variable Customer Interaction	.110
Variable Market Orientation	.271

Chart 3 to Discriminant Analysis 1 (External Orientation): Standardized Canonical Discriminant Function Coefficients

	INDEXREV >= 60 ...	
	TOP60_100	TOP40
Variable Customer Orientation	.460	.680
Variable Customer Interaction	.450	.489
Variable Market Orientation	.637	.719
(Constant)	-14.554	-22.516

Fisher's linear discriminant functions

Chart 4 to Discriminant Analysis 1 (External Orientation): Classification Function Coefficients

		INDEXREV >= 60 (FILTER)	Predicted Group Membership		Total
			TOP60_100	TOP40	
Original	Count	TOP60_100	34	12	46
		TOP40	8	28	36
	%	TOP60_100	73.9	26.1	100.0
		TOP40	22.2	77.8	100.0
Cross-validated[a]	Count	TOP60_100	34	12	46
		TOP40	8	28	36
	%	TOP60_100	73.9	26.1	100.0
		TOP40	22.2	77.8	100.0

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 75.6% of original grouped cases correctly classified.

c. 75.6% of cross-validated grouped cases correctly classified.

Chart 5 to Discriminant Analysis 1 (External Orientation):
Classification Results of Type I and Type II Errors

Table 36: Detailed Analysis for *Discriminant Analysis of 'Internal Orientation'*

Box's M		12.575
F	Approx.	1.188
	df1	10
	df2	26722.121
	Sig.	.293

Tests null hypothesis of equal population covariance matrices.

Chart 1 to Discriminant Analysis 2 (Internal Orientation): Box's Test

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.575	43.145	4	.000

Chart 2 to Discriminant Analysis 1 (Internal Orientation): Wilks' Lambda

	Function
	1
Variable Strategic Orientation	.203
Variable CSR Decision Structure	.570
Variable CSR Intention	.827
Variable ISO Standards	-.295

Chart 3 to Discriminant Analysis 1 (Internal Orientation):
Standardized Canonical Discriminant Function Coefficients

	INDEXREV >= 60 ...	
	TOP60_100	TOP40
Variable Strategic Orientation	.638	.753
Variable CSR Decision Structure	.371	.613
Variable CSR Intention	1.062	1.463
Variable ISO Standards	-.001	-.001
(Constant)	-11.598	-20.935

Fisher's linear discriminant functions

Chart 4 to Discriminant Analysis 1 (Internal Orientation):
Classification Functon Coefficients

		INDEXREV >= 60 (FILTER)	Predicted Group Membership		Total
			TOP60_100	TOP40	
Original	Count	TOP60_100	38	8	46
		TOP40	5	31	36
	%	TOP60_100	82.6	17.4	100.0
		TOP40	13.9	86.1	100.0
Cross-validated[a]	Count	TOP60_100	37	9	46
		TOP40	5	31	36
	%	TOP60_100	80.4	19.6	100.0
		TOP40	13.9	86.1	100.0

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 84.1% of original grouped cases correctly classified.

c. 82.9% of cross-validated grouped cases correctly classified.

Chart 5 to Discriminant Analysis 1 (Internal Orientation):
Classification Results of Type I and Type II Errors

Figures

Figure 1: The Stakeholder Model

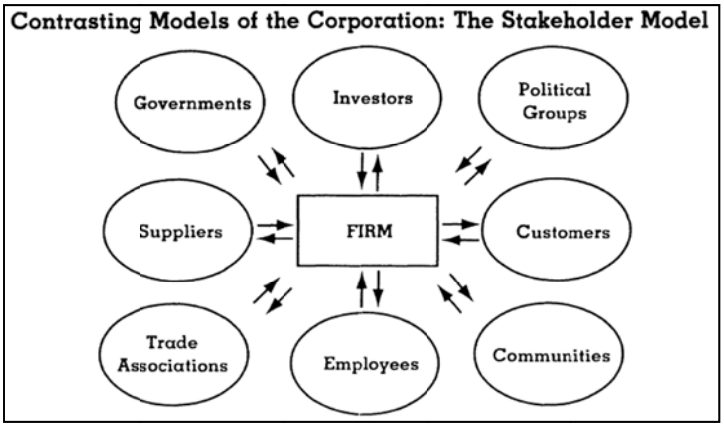

Figure 1: Donaldson & Preston (1995) Stakeholder Model

Figure 2: The Research Model

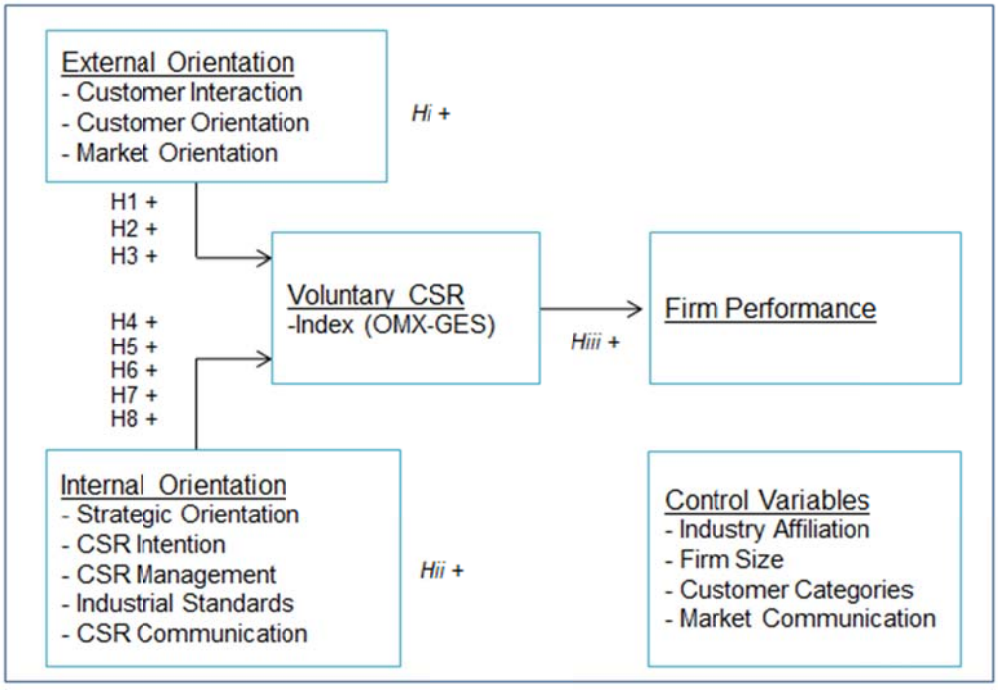

Figure 2: Schematic model of the CSR research.

Appendix 1 OMX-GES Index ranking

Company Name	MSCI Industry	General Environmental Risk	Score Environment	General Human Rights Risk	Score Human Rights	General Corporate Governance Risk	Score Corporate Governance	Score Environment (0-3)	Score Human Rights (0-2)	Score Corporate Governance (0-2)	Score Environment (0-7)	Score Human Rights (0-7)	Score Corporate Governance (0-7)	index score
Company 1	Electrical Equipment	C+	a-	B-	b+	-	a	2.3	1.46	1.87	5.37	5.11	6.55	5.67
Company 2	Machinery	C+	a	B	b+	-	a-	2.81	1.3	1.51	6.56	4.55	5.29	5.46
Company 3	Communications Equipment	B	a-	B	b	-	a	2.46	1.19	1.85	5.74	4.17	6.48	5.46
Company 4	Metals & Mining	C	a-	C	b	-	a	2.43	1.18	1.84	5.67	4.13	6.44	5.41
Company 5	Paper & Forest Products	C	a	C+	b+	-	b+	2.72	1.4	1.42	6.35	4.90	4.97	5.41
Company 6	Machinery	C+	a	B	b+	-	b+	2.77	1.29	1.46	6.46	4.52	5.11	5.36
Company 7	Household Durables	B-	a-	B-	b+	-	a-	2.45	1.36	1.57	5.72	4.76	5.50	5.32
Company 8	Paper & Forest Products	C	a-	C+	b+	-	a-	2.55	1.3	1.53	5.95	4.55	5.36	5.29
Company 9	Communications Equipment	B	a-	B	b+	-	a-	2.46	1.35	1.51	5.74	4.73	5.29	5.25
Company 10	Diversified Telecommunication Services	B+	b+	B+	b+	-	a	2.02	1.27	1.87	4.71	4.45	6.55	5.23
Company 11	Commercial Banks	B+	b+	A-	b+	-	a	2.01	1.26	1.86	4.69	4.41	6.51	5.20
Company 12	Paper & Forest Products	C	a-	C+	b	-	a-	2.48	0.96	1.79	5.79	3.36	6.27	5.14
Company 13	Paper & Forest Products	C	a-	C+	b+	-	b+	2.47	1.44	1.31	5.76	5.04	4.59	5.13
Company 14	Pharmaceuticals	B	a-	B+	b+	-	a-	2.25	1.3	1.52	5.25	4.55	5.32	5.04
Company 15	Machinery	C+	a-	B	b+	-	b+	2.4	1.25	1.46	5.60	4.38	5.11	5.03
Company 16	Airlines	C	b+	B	b	-	a	2.03	1.12	1.83	4.74	3.92	6.41	5.02
Company 17	IT Services	A-	b	A-	b+	-	a	1.63	1.39	1.82	3.80	4.87	6.37	5.01
Company 18	Construction & Engineering	C	b+	C+	b+	-	a-	2.21	1.24	1.51	5.16	4.34	5.29	4.93
Company 19	Food & Staples Retailing	B-	b	C	b+	-	a	1.79	1.21	1.8	4.18	4.24	6.30	4.90
Company 20	Specialty Retail	B+	b+	C+	b+	-	b+	2.01	1.43	1.38	4.69	5.01	4.83	4.84
Company 21	Specialty Retail	B+	b+	C+	b	-	a	1.91	1	1.83	4.46	3.50	6.41	4.79
Company 22	Commercial Banks	B+	b+	A-	b+	-	b+	1.98	1.27	1.48	4.62	4.45	5.18	4.75
Company 23	Machinery	C+	b+	B	b	-	a-	2.02	0.92	1.78	4.71	3.22	6.23	4.72
Company 24	Commercial Banks	B+	b	A-	b	-	a	1.48	1.16	1.87	3.45	4.06	6.55	4.69
Company 25	Machinery	C+	b	B	b	-	a-	1.64	1.1	1.79	3.83	3.85	6.27	4.65
Company 26	Specialty Retail	B+	b+	C+	b	-	a-	2.07	0.9	1.7	4.83	3.15	5.95	4.64
Company 27	Household Durables	B-	b	B-	b	-	a	1.71	0.93	1.84	3.99	3.26	6.44	4.56
Company 28	Hotels, Restaurants & Leisure	B	b	C+	b	-	a-	1.75	0.93	1.79	4.08	3.26	6.27	4.53
Company 29	Household Durables	B-	a-	B-	b-	-	a-	2.29	0.75	1.57	5.34	2.63	5.50	4.49
Company 30	Machinery	C+	b+	B	b	-	a-	1.83	1.11	1.5	4.27	3.89	5.25	4.47
Company 31	Commercial Banks	B+	b	A-	b+	-	b+	1.57	1.33	1.45	3.66	4.66	5.08	4.46
Company 32	Professional Services	A-	b	B	b	-	a-	1.79	1.03	1.53	4.18	3.61	5.36	4.38
Company 33	Machinery	C+	b+	B	b	-	b+	1.87	1.04	1.46	4.36	3.64	5.11	4.37
Company 34	Machinery	C+	b	B	b	-	a-	1.63	0.88	1.76	3.80	3.08	6.16	4.35
Company 35	Media	A-	b	A-	b	-	a	1.52	0.83	1.87	3.55	2.91	6.55	4.33
Company 36	Real Estate Management & Development	B-	b	B+	b-	-	a-	1.79	0.78	1.72	4.18	2.73	6.02	4.31
Company 37	Tobacco	C	b	C	b-	-	a-	1.63	0.79	1.79	3.80	2.77	6.27	4.28
Company 38	Metals & Mining	C	b+	C	b	-	b+	1.84	1	1.42	4.29	3.50	4.97	4.25
Company 39	Building Products	C+	b	B	b	-	b+	1.75	0.98	1.49	4.08	3.43	5.22	4.24
Company 40	Real Estate Management & Development	B-	b	B+	b	-	a-	1.58	0.88	1.69	3.69	3.08	5.92	4.23

Company 41	Aerospace & Defense	C+	b+	B-	b	-	a-	1.92	0.81	1.51	4.48	2.84	5.29	4.20
Company 42	Specialty Retail	B+	b	C+	b	-	a-	1.47	0.92	1.63	3.43	3.22	5.71	4.12
Company 43	Metals & Mining	C	b	C	b	-	a-	1.38	0.88	1.69	3.22	3.08	5.92	4.07
Company 44	Food & Staples Retailing	B-	b	C	b-	-	a	1.25	0.74	1.87	2.92	2.59	6.55	4.02
Company 45	Auto Components	B-	b	B-	b-	-	a-	1.46	0.74	1.71	3.41	2.59	5.99	3.99
Company 46	Machinery	C+	b	B	b	-	b+	1.77	0.82	1.42	4.13	2.87	4.97	3.99
Company 47	Construction & Engineering	C	b+	C+	b-	-	b+	2.04	0.76	1.24	4.76	2.66	4.34	3.92
Company 48	Health Care Equipment & Supplies	B	b	B+	b	-	b+	1.46	0.9	1.46	3.41	3.15	5.11	3.89
Company 49	Real Estate Management & Development	B-	b	B+	b-	-	a	1.29	0.67	1.8	3.01	2.35	6.30	3.89
Company 50	Real Estate Management & Development	B-	b	B+	b	-	a-	1.29	0.91	1.56	3.01	3.19	5.46	3.89
Company 51	Personal Products	B	b	B	b-	A-	a-	1.23	0.77	1.74	2.87	2.70	6.09	3.89
Company 52	Oil, Gas & Consumable Fuels	C	b-	C	b-	-	a	0.98	0.76	1.86	2.29	2.66	6.51	3.82
Company 53	Biotechnology	B+	b-	A-	b-	-	a-	1.15	0.73	1.76	2.68	2.56	6.16	3.80
Company 54	Building Products	C+	b	B	b-	-	a-	1.46	0.52	1.76	3.41	1.82	6.16	3.80
Company 55	Real Estate Management & Development	B-	b+	B+	b-	-	b+	1.83	0.67	1.36	4.27	2.35	4.76	3.79
Company 56	Specialty Retail	B+	b	C+	b-	-	a-	1.45	0.52	1.76	3.38	1.82	6.16	3.79
Company 57	Construction & Engineering	C	b	C+	b-	-	a-	1.42	0.72	1.51	3.31	2.52	5.29	3.71
Company 58	Real Estate Management & Development	B-	b	B+	b-	-	a-	1.46	0.58	1.62	3.41	2.03	5.67	3.70
Company 59	Metals & Mining	C	b	C	b-	-	b+	1.76	0.53	1.46	4.11	1.86	5.11	3.69
Company 60	Food Products	C+	b	C	b-	-	a-	1.25	0.52	1.76	2.92	1.82	6.16	3.63
Company 61	Specialty Retail	B+	b-	C+	b	-	a-	1.04	0.8	1.58	2.43	2.80	5.53	3.59
Company 62	Biotechnology	B+	b-	A-	b-	-	a-	1.02	0.62	1.76	2.38	2.17	6.16	3.57
Company 63	Diversified Financial Services	A-	b-	A-	b	-	b+	0.81	1.03	1.43	1.89	3.61	5.01	3.50
Company 64	Communications Equipment	B	b-	B	b-	-	a-	1.04	0.54	1.76	2.43	1.89	6.16	3.49
Company 65	Wireless Telecommunication Services	B+	c+	B+	b-	-	a	0.6	0.73	1.85	1.40	2.56	6.48	3.48
Company 66	Machinery	C+	b-	B	b-	-	a-	1.04	0.71	1.5	2.43	2.49	5.25	3.39
Company 67	Trading Companies & Distributors	B+	b-	B-	c+	-	a-	1.14	0.35	1.79	2.66	1.23	6.27	3.38
Company 68	Trading Companies & Distributors	B+	b-	B-	b-	-	a-	0.79	0.61	1.76	1.84	2.14	6.16	3.38
Company 69	Real Estate Management & Development	B-	b	B+	b-	-	b+	1.63	0.57	1.24	3.80	2.00	4.34	3.38
Company 70	Pharmaceuticals	B	b-	B+	b-	-	a-	0.79	0.59	1.69	1.84	2.07	5.92	3.27
Company 71	Media	A-	b-	A-	b-	-	a-	0.94	0.64	1.54	2.19	2.24	5.39	3.27
Company 72	Machinery	C+	b	B	c+	-	b	1.74	0.43	1.12	4.06	1.51	3.92	3.16
Company 73	Commercial Services & Supplies	B+	c+	B	b	-	b+	0.56	0.87	1.46	1.31	3.05	5.11	3.15
Company 74	Biotechnology	B+	b-	A-	c+	-	a-	0.98	0.44	1.59	2.29	1.54	5.57	3.13
Company 75	Diversified Financial Services	A-	c+	A-	b-	-	a-	0.63	0.7	1.54	1.47	2.45	5.39	3.10
Company 76	Diversified Financial Services	A-	b-	A-	b-	-	b+	0.83	0.58	1.49	1.94	2.03	5.22	3.06
Company 77	Commercial Services & Supplies	B+	c+	B	b-	-	b+	0.65	0.78	1.39	1.52	2.73	4.87	3.04
Company 78	Oil, Gas & Consumable Fuels	C	b-	C	c+	-	a	0.76	0.24	1.83	1.77	0.84	6.41	3.01
Company 79	Specialty Retail	B+	c+	C+	c+	-	a-	0.52	0.43	1.77	1.21	1.51	6.20	2.97
Company 80	Health Care Equipment & Supplies	B	c+	B+	b-	-	b+	0.54	0.71	1.46	1.26	2.49	5.11	2.95
Company 81	Biotechnology	B+	c+	A-	c+	-	a	0.6	0.29	1.8	1.40	1.02	6.30	2.91
Company 82	Capital Markets	A-	c+	A	b-	-	b+	0.73	0.5	1.49	1.70	1.75	5.22	2.89
Company 83	Commercial Services & Supplies	B+	c	B	c+	-	a	0.29	0.42	1.83	0.68	1.47	6.41	2.85
Company 84	Software	A	c+	A	c+	-	a	0.5	0.25	1.84	1.17	0.88	6.44	2.83
Company 85	Textiles, Apparel & Luxury Goods	B+	b-	B-	b-	-	b	0.94	0.58	1.19	2.19	2.03	4.17	2.80
Company 86	Oil, Gas & Consumable Fuels	C	c+	C	c+	-	a-	0.59	0.23	1.77	1.38	0.81	6.20	2.79
Company 87	Biotechnology	B+	c	A-	b-	-	a-	0.13	0.54	1.72	0.30	1.89	6.02	2.74
Company 88	Biotechnology	B+	c+	A-	b-	-	b+	0.44	0.58	1.39	1.03	2.03	4.87	2.64
Company 89	Diversified Telecommunication Services	B+	c+	B+	c+	-	b+	0.65	0.35	1.48	1.52	1.23	5.18	2.64
Company 90	Diversified Financial Services	A-	c	A-	c+	-	a-	0.29	0.31	1.56	0.68	1.09	5.46	2.41
Company 91	Commercial Services & Supplies	B+	c+	B	c+	-	b+	0.6	0.31	1.34	1.40	1.09	4.69	2.39
Company 92	Pharmaceuticals	B	c+	B+	c+	-	b+	0.71	0.27	1.25	1.66	0.95	4.38	2.33
Company 93	Capital Markets	A-	c	A	c+	-	a-	0	0.35	1.61	0.00	1.23	5.64	2.29
Company 94	Real Estate Management & Development	B-	c+	B+	c+	-	b	0.71	0.25	1.16	1.66	0.88	4.06	2.20
Company 95	Hotels, Restaurants & Leisure	B	c	C+	c	-	a-	0	0.14	1.68	0.00	0.49	5.88	2.12
Company 96	Biotechnology	B+	c	A-	c	-	a-	0	0	1.73	0.00	0.00	6.06	2.02
Company 97	Diversified Financial Services	A-	c	A-	c	-	a-	0	0	1.58	0.00	0.00	5.53	1.84
Company 98	Diversified Financial Services	A-	c	A-	c	-	a-	0	0	1.53	0.00	0.00	5.36	1.79
Company 99	Hotels, Restaurants & Leisure	B	c	C+	c	-	b	0.08	0.07	1.19	0.19	0.25	4.17	1.53
Company 100	Oil, Gas & Consumable Fuels	C	c	C	c	-	b-	0	0	0.53	0.00	0.00	1.86	0.62

Appendix 2 Research- and Literature Overview

#	Author(s)	Year	Source	**Research question and Scope** (Risk, Reputation, Strategy, Financial Performance, Communication, Operations and Miscellaneous)	RISK	REPUTATION	STRATEGY	PERFORMANCE	COMMUNICATION	OPERATIONS	MISCELLANEOUS	Research Perspective	Research Outcome Summary
1	Sigurthorsson	2012	JBE	Fitness CSR vs. firm			x					Stakeholder theory	CSR needs to be focused (not too broad)
2	Ramchander	2012	SMJ	Effect of providing CSR info				x	x			Information / RBV	Importance of monitoring external agencies (watchdogs providing info)
3	Melo	2012	CSREM	CSR as a core driver of firm reputation		x						Stakeholder theory	CSR 5 dimensions have a significant effect on reputation moderated by industry
4	Bondy	2012	JBE	Institutionalization of CSR			x			x		Institutional theory	CSR should be focused on a stakeholder category (e.g. customers)

5	Orlitzky	2011	BEQ	Relationship CSR and CFP in publications				x				Institutional / Stakeholder	Greater magnitude of link in social- vs. economic publications
6	Moratis	2011	Book	Worldwide CSR status overview	x	x	x	x				Country report	Capturing status of CSR
7	McWilliams	2011	JOM	Value of strategic CSR			x		x			Resource Based View	CSR provides value (reputation and insurance like)
8	Lev	2011	SMJ	Value of philanthropic CSR				x				Causality test	Philanthropic CSR have positive future revenue effects
9	KPMG	2011	Ind.	Corporate CSR status overview	x	x	x	x				Industry Report	CSR communication has become *de facto* law (reporting)
10	Black	2011	ACCSR	Australian CSR status overview 2011	x	x	x	x				Industry Report	Assessment of how to make the business case for CSR
11	ACCSR	2011	WEB	Australian CSR status overview 2010	x	x	x	x				Industry Report	CSR business case is now accepted
12	Wood	2010	IJMR	Review of CSR research				x				Theory status/assessment	Refocus CSR to stakeholders
13	Surroca	2010	SMJ	Effect of intangible CSR resources				x				Stakeholder theory	CSR and CFP relationship is indirect

14	Sarkis	2010	CSREM	CSR as reverse SCM (RL)		x				x		Stakeholder / Sustainability	Environmental CSR have positive HR effects
15	Othman	2010	CSREM	Importance of CSR disclosure	x	x			x			Industry Report	CSR benefits from being included in Annual Reports (non-financial info)
16	Nielsen	2010	CSREM	Reactive vs. Proactive CSR communication	x	x						Social Network theory	Networks of CSR partners should interact proactively with Government Organizations and NGO's
17	Maon	2010	IJMR	Development process of firm towards CSR			x			x		Stakeholder theory	Corporate culture, moral and strategic- and organizational characteristics are strongly related to CSR levels
18	Lindgreen	2010	IJMR	Status of CSR conceptualization	x	x	x					Agency / Stewardship theory	CSR remains at an embryonic stage of development
19	Leire	2010	CSREM	Development of CSR purchasing practices	x		x					Social Network theory	Supplier relation policies need support of assurance practices and compliance mgmt

20	Kolk	2010	CSREM	CSR disclosure practices	x	x			x			Stakeholder theory	CSR disclosure is holistic among Fortune Global 250 firms.
21	Du	2010	IJMR	Perception of firm level CSR (scepticism)	x			x	x			Stakeholder theory	CSR must be communicated effectively to minimize scepticism
22	Carroll	2010	IJMR	Tangible benefits of CSR to business community			x	x				Stakeholder theory	The CSR business case is comprised of cost, risk, reputation, CA and win-win value creation
23	Wagner	2009 b	JOMKT	Effects of CSR communication strategies		x	x		x			Inoculation theory	Reactive CSR communication is preferred over proactive
24	Ziek	2009	CSREM	Explicit CSR communication			x		x			Communicative Move theory	Organizational size matters in CSR communication
25	Tagesson	2009	CSREM	CSR disclosure practices		x	x		x	x		Institutional/Positive Acct. Theory	Organizational size and CFP matters in CSR disclosure
26	Swedish-Institute	2009	Ind.	Positioning of Sweden (rankings)							x	Country report	Sweden ranks top 5 in CSR, IT,

												competitiveness, globalization
27	Luo	2009	JOMTK	CSR communication and firm level risk	x	x	x		x			Risk mgmt / Stakeholder theory	High CSR decreases undesirable firm specific risk
28	Leigard	2009	News	CSR philanthropy in Sweden							x	Country report	Swedish firms donate equivalent to $33 per capita ($300M)
29	Kinder	2009	Ind.	CSR measurements in the U.S							x	Country report	The ESG measures (Environmental, Social, Governance) implemented in USA
30	Kelly	2009	JOCC	Alternative firm level design via CSR			x	x		x		Conceptual	CSR yield different CFP for different firms (combination of firm initiatives, social pressure, government mandates)
31	Kang	2009	AMP	CSR expenditures vs. age of CEO		x	x					Continuity theory	CSR long-term investment decreases closer to CEO retirement
32	ISO Organization	2009	Ind.	Description of CSR standard ISO26000						x	x	Conceptual	Description of CSR standard ISO26000

33	Eweje	2009	CSREM	Collaboration between firms and NGO's			x					Legitimacy theory	CSR collaboration improves societal perception / legitimacy of firms
34	Danish-Parliament	2009	Gov	Regulated CSR reporting in Annual Reports					x		x	Country report	Publicly traded Danish firms must report CSR in AR
35	Andersen	2009	SCMJ	CSR practices in supply chains				x		x		Case study	CSR must be embedded in the total organization in order to deliver SCM benefits
36	Ahmed	2009	WEB	Relationship CSR and CFP in publications				x				Management theory	CSR can be a predictor of improved CFP
37	Accountability	2009	Ind.	Positioning of Sweden (rankings)							x	Country report	Sweden ranks top 5 in CSR, IT, competitiveness, globalization
38	Zadek	2008	Conf.	Description of the Responsible Competitiveness index							x	Measure	Description of the Responsible Competitiveness index
39	Wahba	2008	CSREM	CFP as moderator on CSR and institutional	x			x				Institution/Risk aversion theory	CSR influences institutional

				investors								investors only when CFP is high
40	Sweeney	2008	JOMC	Using Annual Reports as CSR communication tool		x	x		x			Stakeholder theory	CSR is an industry/stakeholder specific communication tool in AR's
41	Semenova	2008	Conf.	Value of shares (social and environmental information)				x	x			Stakeholder theory	Environmental CSR have positive firm value
42	Porter	2008	SRBC	Firms' design of CSR activities			x			x		Sustainability theory	CSR program design must be firm specific
43	Peloza	2008	CRR	CSR derived value from STKH's power, urgency, legitimacy				x				Stakeholder theory	Multiplicity of STKH affects consistent CSR CFP impact
44	Neal	2008	WEB	Level of CSR influence on CFP				x				Stakeholder theory	Good ethics yield affection from financial markets while poor ethics is punished
45	Morsing	2008	JOMC	Indirect CSR communication		x			x			Stakeholder theory	CSR reputation demand both employee and TMT commitment
46	Maak	2008	JBE	Redefinition of CSR to Corporate Integrity						x		Corporate Integrity theory	CSR benefits from a holistic view including the 7 C's

47	Lankoski	2008	BSE	CSR and CFP connectedness		x	x	x				Stakeholder theory	CSR have inverted U-shape effect on CFP
48	Hull	2008	SMJ	Differentiating effects on firms' from CSR			x	x				Resource Based View	CSR effect on CFP is moderated by innovation
49	Harjoto	2008	JABE	Effects of internal/external governance and monitoring mechanisms				x				Resource Based View	CSR effects CFP positively when measured as ROA and OPP
50	Du	2008	JCR	Social and business returns from external CSR activities		x				x		Subjective utility theory	CSR increases customer willingness to purchase providing firms products
51	Siegel	2007	JEMS	Info. asymmetry, CSR and product differentiation strategy		x	x					Theory of the Firm	CSR increases in certain industries (experience goods)
52	Mackey	2007	AMR	Investor preferences of CSR and firm strategies			x	x			x	Theory of Social Responsibility	Market value of firm can be increased but not present value of cash flow
53	Lopez	2007	JBE	Differences of CSR for firms listed on DJSI and DJGI				x		x		Legitimation theory	CSR yield a short term negative effect on CFP

54	Hill	2007	JBE	IBUS Stock evaluation relation with CSR				x		x		Theory of the Firm	European ethical funds outperform markets both short-term and long-term
55	Goldman-Sachs	2007	Ind.	Effect on best practise CSR on CFP				x				Industry Report	CSR leading firms also lead CFP
56	Dahlsrud	2007	CSREM	Updated CSR definition						x	x	Definition	CSR need to be developed by operationalization
57	Campbell	2007	AMR	Market conditions where firms are likely to engage in CSR	x	x						Institutional theory	Firm behaviour is mediated by institutional conditions
58	Brine	2007	Conf.	Link between CSR and CFP in Australian firms				x				Country report	Australian firms display a neutral relationship
59	Barnett	2007	AMR	Path-dependency of relationships and the CSR business case				x				Stakeholder theory	CSR should be treated as any other investment decision
60	Windsor	2006	JMS	Viewing CSR via the lens of ethical principles		x		x		x		Ethical- / Economic responsibility	Instrumental corporate citizenship is a strategic lever for reputation
61	Stainer	2006	WEB	CSR measurement and operationally and strategically impetus for success		x		x				Goal theory	Strategic risk is a balance between profits and ethics

62	Sen	2006	JAMS	Impact of CSR on stakeholder relationships		x	x					Stakeholder/Social Identity theory	STKH's respond positively on CSR in consumption, employment and investments
63	Scholder	2006	JAMS	Attributions made by consumers on firms' CSR motives		x	x					Stakeholder/Social Identity theory	Strategic and value-driven CSR is positively viewed while egocentric and STKH-driven CSR is not
64	Porter	2006	Ind.	Link between CSR and Competitive Advantage	x		x			x		Diamond Framework	CSR is a source of innovation and Competitive Advantage
65	Peloza	2006	CMR	Insurance like effects of CSR	x			x				Stakeholder theory	CSR investments provide insurance / CSR should not be viewed as a cost
66	Kolk	2006	EUMR	Firm level behaviour and CSR mismanagement	x	x					x	Resource Dependency theory	Reduction of some STKH groups power is necessary to avoid other STKH groups being neglected
67	Hahn	2006	CSREM	Motivation and implementation of sustainable practices			x			x		Institutional theory	There's a difference between firm level CSR motivation and

												their implementation thereof
68	Guenster	2006	Conf.	Value of shares (social and environmental information)				x	x			Stakeholder theory	Environmental CSR have positive firm value
69	Becker-Olsen	2006	JBE	Design of CSR factors to improve consumer perception		x	x		x	x		Network / attribution theory	Only high-fit, proactive initiatives lead to an improvement in consumer beliefs, attitudes, and intentions
70	Vogel	2005	CMR	Market value of virtue		x					x	Definition	CSR makes business sense for some firms in specific circumstances
71	Kotler	2005	Book	Explanation of the CSR concept						x	x	Definition	Improve societal well-being through discretionary business practices and firm resources

72	Orlitzky	2003	OS	Link between CSR and CFP (meta-analysis)				x		x		Stakeholder theory	CSR pays off more than environmental efforts yet moderated by operationalization of CSR and CFP
73	Simpson	2002	JBE	Effects of industry specific CSR measures on CFP				x				Theory of the Firm	Link between CSR and the Banking industry is positive
74	Maignan	2002	JIBS	Extent and content of CSR communications					x	x		Stakeholder theory	Firms' across industries and countries varies their dedication to CSR perception
75	McWilliams	2001 b	AMR	Link between CSR and profit maximization			x	x				Stakeholder theory	Effects of CSR investments are context specific
76	McWilliams	2001 a	AMR	Assessment of ideal CSR levels			x			x		Theory of the Firm	CSR should be pursued via cost-benefit analysis for maximized result yet with a neutral CFP link
77	Spence	2001	BSE	Firm size and inclusion of competitors as STKH			x				x	Stakeholder theory	Small businesses benefit from

												cooperation against larger competitors
78	Ruf	2001	JBE	Link between changes in CSR and accounting measures				x			Stakeholder theory	Changes in CSR is positive to sales growth short- and long-term
79	Waddock	2000	SMR	Responsibility auditing and link to CFP	x			x			Stakeholder theory	Proactive and responsible practices reap efficiency, productivity, reputation improvements and lowers risk, legal exposure and direct and overhead costs
80	Orlitzky	2000	WEB	Non-economic business challenges				x			Stakeholder theory	CSR was more correlated with accounting return than market return measures
81	McWilliams	2000	SMJ	Inconsistency reasons behind CSR measures on CFP impact				x		x	Measure	CSR measures should include R&D investments

82	Johnson	1999	AMJ	Effects of institutional owner types on CSR						x	Institutional/Signalling theory	CSP research should distinct between different types of institutional investors and using multiple dimensions of CSP as measures
83	Carroll	1999	BS	The historic development of CSR from 1950's-1980's						x	Stakeholder/Business Ethics theory	Definitions and conceptualization of CSR is effectuated yet need to be assessed from an operationalization point of view
84	Stanwick	1998	JBE	Organizational characteristics effect of CSR on CFP	x			x		x		Measure	CFP is affected positively by firms' level of (higher) size, CFP and environmental performance
85	Waddock	1997	SM	Link social issues pressure on strategic management/managers				x				Slack resources /Good Mgmt theory	CSR is positively associated with CFP (both slack and future CFP)
86	Turban	1997	AMJ	Link employer attractiveness and CSR reputation		x	x				x	Social Identity/Signalling theory	Independent CSR ratings is positively related to firm level attractiveness as

												employer
87	Russo	1997	AMJ	Link between environmental performance and CFP				x			Resource Based View	The relationship is positive over time and moderated by industry growth
88	Litz	1996	JBE	Ethical and social dimensions on org. resources and CFP		x	x				x	Resource Based View	CSR can facilitate and endure sources of strategic advantages
89	Swanson	1995	AMR	Conceptual development of CSP						x	x	Theory development	Interrelatedness occur in operationalized form between economizing, ecologizing, ethical duty and personal- and power values
90	Clarkson	1995	AMR	Literature review to date of CSR							x	Theory status/assessment	Manage relationships with stakeholder groups /distinguish between social- and stakeholder issues / identify evaluation models of CSR

91	Wood	1991	AMR	CSR at the institutional-, organizational-, and individual level							x	Theory status/assessment	Previous research have focused on environmental assessment, stakeholder management, social impacts and CSR programs
92	Carroll	1991	BS	Exploring CSR nature to understand its components							x	Conceptual assessment	Level of CSR evolves from economic responsibilities to legal-, ethical- and philanthropic responsibilities
93	McGuire	1988	AMR	Relationship perception of CSR and CFP	x	x		x				Stakeholder theory	Risk is more closely associated with CSR than previously suggested. Prior CFP is more related to CSR than subsequent performance
94	Murray	1986	AMR	CSR as a product offered to stakeholders		x	x					Marketing theory	Competitive advantages from CSR arise from applying a marketable approach of CSR
95	Mulligan	1986	JBE	CSR as an strategic and			x			x		Theory development	CSR can be pursued

				operational integrated component								without the classical opposing arguments (Friedman)
96	Aupperle	1985	AMR	Empirical assessment of the link between CSR and profitability				x			x	Conceptual assessment	CSR did not display a positive relationship with CFP
97	Drucker	1984	CMR	Assessment of CSR viability							x	Conceptual assessment	Focus on converting social problems into opportunities
98	Cochran	1984	AMR	Relatedness between CSR and CFP		x		x				Conceptual assessment	Age of corporate assets is positively related to CSR ranking (newer is better)
99	Mintzberg	1983	JBE	Assessment of CSR viability							x	Sound Investment theory	Commitment on a personal level is the driver behind CSR

Appendix 3 Level of Globalization Among Sample Firms

GEOGRAPHICAL SOURCES OF SALES REVENUE (% of total sales revenue)							
Firm	**SWEDEN %**	**EUROPE %**	**AMERICAS %**	**ASIA %**	**ME & AFRICA %**	**total EMEA %**	**total ROW %**
1	4.36%	34.82%	19.67%	28.09%	13.06%	52.25%	47.75%
2	3.11%	42.78%	17.67%	26.89%	9.54%	55.44%	44.56%
4	24.75%	75.08%	0.01%	0.08%	0.08%	99.91%	0.09%
5	7.33%	67.84%	11.72%	10.51%	2.60%	77.77%	22.23%
7	3.13%	36.87%	51.00%	9.00%	0.00%	40.00%	60.00%
8	9.73%	67.40%	6.14%	9.87%	6.82%	83.95%	16.02%
10	34.40%	25.50%	0.00%	40.10%	0.00%	59.90%	40.10%
12	9.76%	66.99%	15.11%	8.14%	0.00%	76.75%	23.25%
13	24.31%	64.35%	7.37%	3.97%	0.00%	88.66%	11.34%
14	2.40%	21.90%	40.90%	15.90%	18.90%	43.20%	56.80%
15	5.07%	48.69%	15.12%	11.56%	19.56%	73.32%	26.68%
17	27.96%	72.15%	0.00%	0.00%	0.00%	100.12%	0.00%
18	23.00%	44.00%	33.00%	0.00%	0.00%	67.00%	33.00%
20	6.22%	78.99%	10.08%	4.70%	0.00%	85.21%	14.79%
21	52.74%	47.26%	0.00%	0.00%	0.00%	100.00%	0.00%
23	4.62%	20.84%	21.00%	21.13%	5.48%	30.95%	69.05%
25	3.43%	35.73%	22.82%	37.03%	0.98%	40.14%	59.86%
29	3.69%	42.54%	41.50%	8.59%	3.68%	49.92%	50.08%
30	2.25%	29.81%	28.99%	27.57%	11.38%	43.44%	56.56%
32	61.06%	29.32%	9.55%	0.02%	0.02%	90.41%	9.57%
33	5.05%	52.68%	26.74%	10.54%	4.98%	62.72%	37.28%
34	9.00%	35.01%	49.41%	3.29%	3.29%	47.30%	52.69%
37	41.77%	16.40%	34.41%	7.42%	0.01%	58.17%	41.83%
38	22.36%	33.70%	34.38%	6.25%	3.32%	59.38%	40.62%

39	4.90%	39.04%	34.65%	16.96%	4.45%	48.39%	51.61%
41	37.75%	20.89%	9.00%	20.77%	11.59%	70.23%	29.77%
42	49.28%	50.72%	0.00%	0.00%	0.00%	100.00%	0.00%
45	4.00%	34.23%	28.65%	33.14%	0.00%	38.23%	61.79%
46	5.00%	53.99%	21.27%	18.06%	1.67%	60.67%	39.33%
48	1.60%	41.14%	30.79%	17.21%	9.26%	52.00%	48.00%
51	17.07%	66.80%	5.62%	9.45%	1.05%	84.92%	15.07%
53	9.24%	48.50%	12.33%	24.72%	5.21%	62.95%	37.05%
54	22.78%	34.00%	21.61%	21.61%	0.02%	56.79%	43.22%
62	10.28%	62.28%	25.03%	1.69%	0.72%	73.28%	26.72%
64	8.59%	30.05%	46.81%	10.23%	4.29%	42.93%	57.04%
65	5.77%	0.00%	71.43%	0.00%	23.09%	28.86%	71.43%
66	7.02%	39.78%	25.62%	27.96%	0.01%	46.81%	53.58%
67	46.36%	53.64%	0.02%	0.02%	0.02%	100.02%	0.04%
70	13.78%	61.80%	17.41%	5.12%	1.89%	77.48%	22.52%
71	30.15%	69.55%	0.00%	0.00%	0.30%	100.00%	0.00%
72	4.00%	38.00%	29.00%	29.00%	0.00%	42.00%	58.00%
77	20.47%	56.82%	22.71%	0.00%	0.00%	77.29%	22.71%
79	52.52%	47.48%	0.00%	0.00%	0.00%	100.00%	0.00%
84	15.47%	57.17%	12.70%	14.65%	0.00%	72.64%	27.36%
85	33.61%	46.76%	16.31%	3.33%	0.00%	80.37%	19.63%
86	0.33%	0.00%	0.00%	0.00%	99.69%	100.01%	0.00%
89	28.33%	66.69%	0.00%	4.98%	0.00%	95.02%	4.98%
91	12.73%	50.93%	36.34%	0.00%	0.00%	63.66%	36.34%
95	24.76%	73.38%	1.09%	1.09%	0.00%	98.14%	2.18%
99	21.96%	77.48%	0.25%	0.25%	0.00%	99.44%	0.50%
Ave:	**17.59%**	**46.24%**	**19.30%**	**11.02%**	**5.34%**	**69.16%**	**30.86%**

Websites

Carlsberg	http://www.carlsberggroup.com/csr/Pages/default.aspx
DuPont	http://www2.dupont.com/Sustainability/en_US/
PR Watch	http://www.prwatch.org/prwissues/1999Q3/greenpeace.html
Ericson	http://www.ericsson.com/thecompany/sustainability_corporateresponsibility
GE	http://www.ge.com/company/citizenship/index.html
IKEA	http://www.ikea.com/ms/sv_SE/the_ikea_story/people_and_the_environment/index.html?icid=se>ic>footer>om_manniskor-miljo
Microsoft	http://www.microsoft.com/about/corporatecitizenship/en-us/default.aspx
Nestle`	http://www.nestle.com/CSV/Pages/CSV.aspx
Telenor	http://telenor.com/en/corporate-responsibility/
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